



REQUEST FOR PROPOSALS

**STATE SUPPLEMENTAL REBATE/PREFERRED DRUG LIST (PDL) &
DRUG REBATE PROCESSING**

**LOUISIANA MEDICAID PROGRAM
BENEFITS AND SERVICES/PHARMACY PROGRAM
MEDICAL VENDOR ADMINISTRATION**

**RFP # 3000011194
Proposal Due Date/Time: March 26, 2019**

Release Date: February 13, 2019

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Glossary

The following terms, as used in this RFP, shall be construed and interpreted as follows unless the context clearly indicates otherwise:

ACA: Affordable Care Act.

Agency: Any department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or other establishment of the executive branch of this State authorized to participate in any contract resulting from this RFP.

Benefits and Services: The unit within Medicaid responsible for the management and distribution of Medicaid fee-for-service benefits within the State of Louisiana.

Benefits or Covered Services: Those health care services to which an eligible Medicaid recipient is entitled under the Louisiana Medicaid State Plan.

BHSF: Bureau of Health Services Financing.

Bureau of Health Services Financing: The agency within the Louisiana Department of Health responsible for day-to-day administrative operations of the Louisiana Medicaid Program.

Business Day: Traditional workdays that are Monday, Tuesday, Wednesday, Thursday and Friday from 8 am to 5 pm Central Time. Only Louisiana State holidays are excluded.

Calendar Day: All seven (7) days of the week. Unless otherwise specified, the term “days” in this RFP refers to calendar days.

Centers for Medicare and Medicaid Services: The Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration) of the United States Department of Health and Human Services, or any successor or renamed agency carrying out the functions and duties heretofore carried out by such office.

Clinical Monograph: A written review of all the medications available in a therapeutic class comparing efficacy, side effects, dosing, and prescribing trends.

CMS: The Centers for Medicare and Medicaid Services.

Contractor: The successful Proposer who is awarded a contract.

Department or LDH: Louisiana Department of Health.

Discussions: For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.

Dispute: Any invoice item where the labeler has indicated disputed units on a ROSI or PQAS form or has initiated pre-payment dispute resolution communications.

DDR: Drug Data Reporting.

DRP: Drug Rebate Processing.

Drug Data Reporting: The CMS system used to look up the rebate status of labelers, drug information by NDC, drug termination/reactivation history, and other pertinent information relevant to the rebate program. CMS uploads quarterly rebate files to this website for states to use in invoice generation.

FDA: Food and Drug Administration.

Federal Rebate: Rebates achieved through the national agreements made between drug manufacturers and the Centers for Medicare and Medicaid Services (CMS).

Fee-for-Service (FFS): A method of provider reimbursement based on payments for specific services rendered.

FFS Provider: An institution, facility, agency, person, corporation, partnership, or association approved by LDH which accepts payment in full for providing benefits, with the amounts paid pursuant to approved Medicaid reimbursement provisions, regulations and schedules.

Food and Drug Administration: The agency of the United States Department of Health and Human Services responsible for the safety regulation of most types of foods, dietary supplements, drugs, vaccines, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics.

GNUP: Guaranteed Net Unit Price

HCPCS: Healthcare Common Procedure Coding System.

HRSA: Health Resources and Services Administration.

Invoicing Month: A month during which drug rebate invoices are produced and sent to participating labelers. For federal invoice programs, invoicing months are February, May, August, and November. For state supplemental invoice programs, invoicing months are March, June, September, and December.

JLCB: Joint Legislative Committee on the Budget.

Labeler: The unique five (5) digit code assigned to any entity that manufactures, repacks, or distributes a drug product; the first five (5) digits of an NDC.

LAM: Louisiana Medicaid.

LDH: Louisiana Department of Health.

LMMIS: Louisiana Medicaid Management Information System.

Louisiana Medicaid Pharmaceutical and Therapeutics Committee: Established pursuant to La. R.S. 46:153.3(D)(1) for the purpose of consulting with the state agency or department responsible for administering the Participating Medicaid Program for adoption of a Preferred Drug List for the Participating Medicaid Program.

Louisiana Medicaid Pharmacy Benefits Management Program: The unit within Medicaid responsible for the management and distribution of Medicaid pharmacy benefits within the State of Louisiana.

Managed Care Organization: A private entity that contracts with LDH to provide core benefits and services to Louisiana Medicaid enrollees in exchange for a monthly prepaid capitated amount per member. The entity is regulated by the Louisiana Department of Insurance with respect to licensure and financial solvency, pursuant to La. R.S. 22:1016, but shall, solely with respect to its products and services offered pursuant to the Louisiana Medicaid Program be regulated by the Louisiana Department of Health.

May, Should, Can: Denotes an advisory or permissible action.

MDRP: Medicaid Drug Rebate Program.

MCOs: Managed Care Organizations.

Medicaid Drug Rebate Program: The program created by the Omnibus Reconciliation Act of 1990 (OBRA 90) whereby manufacturers provide rebates to states in exchange for Medicaid coverage of most of their drugs.

Medicaid Exclusion File: The quarterly file produced by the Health Resources and Services Administration (HRSA) that identifies Public Health Services (PHS) providers that carve Medicaid recipient into their 340B programs.

Medicaid Management Information System: An integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives. The objectives of this system and its enhancements include the Title XIX program control and administrative costs; service to recipients, providers and inquiries; operations of claims control and computer capabilities; and management reporting for planning and control.

MEF: Medicaid Exclusion File.

MMIS: The Medicaid Management Information System of LDH.

Must, Shall, Will: Denotes a mandatory requirement.

National Council for Prescription Drug Program: A not-for-profit, multi-stakeholder forum for developing and promoting standards and business solutions that improve patient safety and health outcomes, while also decreasing costs.

National Drug Code: The identifying drug number maintained by the Food and Drug Administration (FDA). For the purposes of this RFP, the complete eleven (11) digit NDC number will be used including labeler code (which is assigned by the FDA and identifies the manufacturer), product code (which identifies the specific product or formulation), and package size code.

NCPDP: National Council for Prescription Drug Program.

NDC: National Drug Code.

OAAS: Office of Aging and Adult Services.

OBH: Office of Behavioral Health.

OBRA 90: Omnibus Budget Reconciliation Act of 1990.

OCDD: Office for Citizens with Developmental Disabilities.

Omnibus Budget Reconciliation Act of 1990: A United States statute enacted pursuant to the budget reconciliation process to reduce the United States federal budget deficit.

OPH: Office of Public Health.

Original: Denotes must be signed in ink.

P&T: Louisiana Medicaid Pharmaceutical and Therapeutics Committee.

PA: Prior Authorization.

PBM: Louisiana Medicaid Pharmacy Benefits Management Program.

PDL: Preferred Drug List.

PQAS: Prior Quarter Adjustment Statement.

Preferred Drug List: The list of medications adopted by the Louisiana Medicaid Program, in consultation with the Louisiana P&T Committee that may be filled in the Louisiana Medicaid Program without prior authorization.

Prior Authorization: A prescriber initiated request for prior approval on a selected number of drugs (non-preferred) within specific therapeutic classes. This request is made to the Prescription Prior Authorization operational desk of the University of Louisiana at Monroe (ULM) College of Pharmacy.

Prior Quarter Adjustment Statement: The official form on which labelers report which invoice items are being paid and the amount paid, along with other pertinent information. Prior Quarter Adjustment Statement forms are used as documentation for adjustments on invoices previously paid.

Program Type: The groupings by which claims for outpatient pharmacy and physician-administered drugs are aggregated and invoiced for drug rebates. Louisiana currently has ten (10) program types, including Federal FFS Pharmacy Non-Expansion, Federal MCO Pharmacy Non-Expansion, Supplemental FFS Pharmacy Non-Expansion, Federal FFS J-Code Non-Expansion, Federal MCO J-Code Non-Expansion, and the Expansion counterpart for each.

Proposer: An Individual or organization submitting a proposal in response to this RFP.

Rebate Invoice: The billing record submitted to a labeler for a particular year, quarter, and program type.

Rebate Invoice Item: The unique combination of an NDC, year, quarter, and program type billed to a labeler.

Reconciliation of State Invoice: The official form on which labelers report which invoice items are being paid and the amount paid, along with other pertinent information. Reconciliation of State Invoice forms are used as documentation for the initial payment of an invoice.

Redacted Proposal: The removal of confidential and/or proprietary information from one (1) copy of the proposal for public records purposes.

RFP: Request for Proposals.

ROSI: Reconciliation of State Invoice.

SFY: State Fiscal Year.

SMDL: State Medicaid Director Letter

SR: Supplemental Rebate.

State: The State of Louisiana.

State Fiscal Year: The twelve month period beginning July 1 and ending June 30.

Supplemental Rebate: Rebates achieved through agreements made between drug manufacturers and the State or its supplemental rebate contractor.

Supplemental Unit Rebate Amount: Any cash rebate or other program that offsets Louisiana Medicaid expenditure and supplements a CMS National Rebate.

SURA: Supplemental Unit Rebate Amount.

ULL: University of Louisiana at Lafayette.

ULM: University of Louisiana at Monroe.

UNO: University of New Orleans.

URA: Unit Rebate Amount.

UROA: Unit Rebate Offset Amount.

1 GENERAL INFORMATION

1.1 Background

- 1.1.1
- The mission of the Louisiana Department of Health (LDH) is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. The Louisiana Department of Health is dedicated to fulfilling its mission through direct provision of quality services, the development and stimulation of services of others, and the utilization of available resources in the most effective manner.
- 1.1.2
- LDH is comprised of the Medical Vendor Administration (Medicaid), the Office for Citizens with Developmental Disabilities (OCDD), the Office of Behavioral Health (OBH), the Office of Aging and Adult Services (OAAS), and the Office of Public Health (OPH). Under the general supervision of the Secretary, these principal offices perform the primary functions and duties assigned to LDH.
- 1.1.3
- LDH, in addition to encompassing the program offices, has an administrative office known as the Office of the Secretary, a financial office known as the Office of Management and Finance, and various bureaus and boards. The Office of the Secretary is responsible for establishing policy and administering operations, programs, and affairs.
- 1.1.4
- Within the Office of Management and Finance is the Medical Vendor Administration (MVA), Bureau of Health Services Financing (BHSF), hereinafter collectively called MVA. The MVA is the administrative office responsible for the Medicaid Program. Medicaid is the public health program which provides payment for health care services provided by qualified health care providers to Medicaid recipients through traditional Fee-for-Service (FFS) programs and through Managed Care Organizations (MCOs). Funded by both federal and state governments, Medicaid provides medical benefits such as physician, hospital, laboratory, x-ray, and nursing home services.
- 1.1.5
- The Medicaid Benefits and Services, Pharmacy Benefits Management (PBM) program is responsible for the development, implementation and administration of the Supplemental Rebate program within the MVA. The PBM is the first state-owned and administered PBM System in the nation. The PBM program is charged with the responsibility of assuring quality Medicaid pharmacy services while developing efficiencies in operation, service and cost. The PBM program is responsible for the daily operational activities of pharmacy prescription services, one of the largest service areas under the Medicaid program with annual expenditures in excess of \$82 million for payment of approximately 945,000 prescription claims. The pharmacy program covers all Food and Drug Administration (FDA) approved legend drugs that meet the Omnibus Budget Reconciliation Act of 1990 (OBRA 90; Pub.L. 101-508, 104 Stat. 1388, enacted November 5, 1990) and criteria of the Omnibus Budget Reconciliation Act of 1993 (OBRA 93) with a few exceptions (42 USCA 1396r-8, Payment for covered outpatient drugs), the Deficit Reduction Act of 2005 (Pub.L. 109-171, enacted February 8, 2006) and the Patient Protection and Affordance Care Act (Pub.L. 111-148) (ACA). The drug file contains over 412,900 drug products (brand, generic and some over-the counter) of which nearly 36,000 are payable. The PBM program determines the reimbursement methodology for both the drug ingredient cost and the dispensing fee for covered drugs.
- 1.1.6
- Louisiana currently has more than 1.6 million people enrolled in Medicaid, of which approximately 130,000 receive a FFS pharmacy benefit. The Department continues to transform Medicaid, moving away from a strictly FFS system and incorporating a managed care environment.
- 1.1.7
- In addition, the PBM program is responsible for the development, implementation and administration of the federal and supplemental rebate programs, which generated nearly \$630 million in expenditure offsets in State Fiscal Year (SFY) 2017.
- 1.1.8
- The State Supplemental Rebate program is administered by the PBM program of LDH, which utilizes the services of four contractors: DXC (formerly Molina) Information Systems, LLC; the University of Louisiana at Monroe (ULM), School of Pharmacy; the Drug Rebate Processing contractor; and the Preferred Drug List (PDL) contractor. Services provided by the contractors include:

1.1.8.1 DXC (formerly Molina), the Medicaid Fiscal Intermediary
 - Technology equipment purchase/installation (with ULM) to support the program;
 - Application modifications to the current Medicaid Management Information System (MMIS);
 - Design and implementation of a Wide Area Network (WAN) for ULM;
 - Support of web-based pharmacy prior authorization (PA) software;
 - Implementation of data research applications;
 - Support data warehouse;

- Statistical Analysis System (SAS) training for ULM research analysts;
- Training and updating LDH and ULM staff on Pharmacy PA System;
- Training prescribers and providers on the PA process; and
- Maintain and support PDL/PA and supplemental rebate systems and operations.

1.1.8.2 University of Louisiana at Monroe (ULM), School of Pharmacy

- Provide space, staff, and computers;
- Operate pharmacist-staffed PA desk;
- Receives and processes all FFS prior authorization requests;
- Each prior authorization is given for a specific drug for a specific recipient for a specific period of time. In accordance with state and federal statutes, requests must be acted upon within twenty-four (24) hours. Provisions are in place whereby an emergency override is allowed for a minimum of a seventy-two (72) hour supply of medicine;
- Provide physician consultations;
- Serve as consultants on the Preferred Drug List and Prior Authorization program; and
- Perform departmental directed data analysis and outcome studies.

1.1.8.3 Drug Rebate Processing Contractor

- Provide network administration for the federally mandated and optional state supplemental Drug Rebate Program;
- Perform administrative initiatives to reduce expenditures for the drug rebate programs which includes reconciliation of drug records invoiced to drug manufacturers on a quarterly basis for the federally mandated rebate program and the State supplemental rebate program, pharmacy audit recoupments and pharmacy help desk;
- Provide accounting and audit support for Drug Rebate Program functions, which includes invoicing and reconciliation of over 139,823 invoice records issued to over 600 drug manufacturers quarterly. In SFY 2017, this activity resulted in nearly \$409 million in federal rebate collections and approximately \$564,000 in supplemental rebate collections;
- Prepare quarterly financial reports in accordance with federal and state reporting requirements;
- Coordinate research and resolution of drug rebate disputes; and
- Conduct financial analyses as requested in conjunction with departmental initiatives.

1.1.8.4 PDL Contractor

- Secure clinical and costing data for drugs in selected therapeutic classes;
- Perform clinical and economic analysis of manufacturer data;
- Negotiate State Supplemental Rebates with manufacturers;
- Prepare therapeutic class monographs for Pharmaceutical and Therapeutics Committee deliberations;
- Present clinical and costing data to the Pharmaceutical and Therapeutics Committee;
- Maintain PDL; and
- Prepare clinical and cost data for performance indicators for Performance Based Budgeting.

1.1.9 Pharmaceutical and Therapeutics Committee/Supplemental Rebates

- #### **1.1.9.1**
- Act 395 of the 2001 Regular Session of the Louisiana Legislature amended La. R.S. 46:153.3(B)(2)(a) and authorized LDH to establish a drug formulary utilizing a Prior Authorization (PA) process or any other process or combination of processes that prove to be cost-effective in the medical assistance

program. The Act also created a Pharmaceutical and Therapeutics (P&T) Committee comprised of twenty-one (21) members, including physicians and pharmacists. The Committee began meeting in August 2001. Act 644 of the 2018 Regular Session of the Louisiana Legislature further amended the P&T Committee membership to be composed of fifteen (15) members. The P&T Committee currently meets twice a year, however, additional meetings may be held based upon need determined by LDH. The Committee is responsible for developing the Preferred Drug List (PDL) in conjunction with the PA process. The Committee reviews clinical and cost data on various therapeutic classes of drugs for recommendation to LDH for inclusion on the PDL or for review through the prior authorization process.

- 1.1.9.2 On June 10, 2002, the Department implemented a PDL with a PA process and a Supplemental Drug Rebate program through a phased-in approach. The PDL/PA and supplemental rebate features were implemented in accordance with all applicable federal and state statutes. Louisiana's Medicaid PDL/PA program does not limit a recipient's access to any drugs that are payable under the Louisiana Medicaid program. Louisiana's PDL/PA program has been designed with the recipient's health care needs in mind. The PDL/PA program allows for continuity of care for prescription drug services, ensures access to needed medications with immediate PA, and provides the safeguards, consistency and simplicity of administration and the best interests of the patient in accordance with 42 USCA 1396a, Section 1902(a) (19) of the Social Security Act.
- 1.1.9.3 The PDL is currently updated twice a year upon LDH's approval of the P&T Committee's recommendations. The PDL is mailed, upon request, to prescribers and pharmacists and is available on the web at www.lamedicaid.com. Currently, approximately eighty-four (84) therapeutics classes are reviewed by the P&T Committee.

1.1.10 Drug Rebate Processing (DRP)

- 1.1.10.1 The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) required the implementation of a federal Medicaid Drug Rebate Program (MDRP), effective January 1, 1991. Under this law, drug manufacturers are required to pay rebates for drugs dispensed under state outpatient drug programs in order to be included in state Medicaid formularies. States are required to cover all of the drugs for which a manufacturer provides rebates under the terms of the law. Two subsequent pieces of federal legislation further updated the rebate provisions: the Deficit Reduction Act of 2005 extended the rebate program to outpatient drugs administered in a physician's office or another outpatient facility, and the ACA expanded the rebate program to cover claims paid by Medicaid MCOs.

1.2 Purpose

- 1.2.1 The purpose of this RFP is to solicit proposals from qualified proposers for:
 - 1.2.1.1 Supplemental Rebate: To provide technical support for the State Supplemental Rebate Program and Preferred Drug List Management Services and Supplies, including but not limited to research into the relative safety, clinical efficacy and cost of products within defined therapeutic drug classes; and
 - 1.2.1.2 Drug Rebate Processing: To provide support in performing the federal and supplemental drug rebate processing for the LDH Medicaid program, including but not limited to invoicing, reconciliation, and dispute resolution for all of LDH's Medicaid drug rebate programs.
- 1.2.2 Pursuant to Section 1.4, Invitation to Propose of this RFP, the Department may choose to award Supplemental Rebate services only or both Supplemental Rebate and Drug Rebate Processing services.
- 1.2.3 Unless explicitly stated otherwise, all provisions of this RFP shall be interpreted to reflect requirements for both Supplemental Rebate and Drug Rebate Processing functions.

1.3 Goals and Objectives

- 1.3.1 The Pharmacy Benefits Management (PBM) Program is charged with the responsibility of assuring quality Medicaid pharmacy services while developing efficiencies in operation, service and cost. The Supplemental Rebate program and the Drug Rebate Processing program assist the PBM Program in attaining these goals.
- 1.3.2 A contract is necessary to meet the Louisiana Medicaid PBM Program's needs in regards to:
 - Developing and maintaining a PDL for the Louisiana Medicaid Fee-for-Service members in the legacy Medicaid program;
 - Developing and maintaining a single PDL (inclusive of MCOs) upon LDH's direction;

- Negotiating Supplemental Rebate Agreements with pharmaceutical manufacturers through a single state or multi-state pooling initiative, unless otherwise directed by LDH;
- Negotiating Supplemental Rebate Agreements based on guaranteed net unit price (GNUP), value or outcomes based arrangements, or other contract terms as directed by LDH;
- Billing and collecting from pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department; and
- Billing and collecting from pharmaceutical manufacturers for federal drug rebates for LDH's Medicaid program.

1.3.3 Supplemental Rebate/PDL will involve management of all aspects of the supplemental rebate negotiation process, providing information and data management of the PDL, technical support to the P&T Committee, and providing the Department with expertise in the financial and clinical analysis of P&T recommendations both before and after implementation.

1.3.4 Drug Rebate Processing will involve the administration and management of the Medicaid drug rebate program, including at a minimum, calculating the amount of rebate owed by each manufacturer, generating the respective invoices, updating the rebate management system, tracking and resolving drug manufacturer disputes, and associated reporting. One of the primary responsibilities is to identify drugs reimbursed and request any associated rebate from participating pharmaceutical manufacturers consistent with Federal and State regulations. The Contractor shall operate in accordance with CMS guidance, rules and regulations regarding all aspects of the Medicaid Drug Rebate program.

1.4 Invitation to Propose

1.4.1 LDH, Medical Vendor Administration, Benefits and Services/Pharmacy Benefits Management Program is inviting qualified proposers to submit proposals for services to provide the expertise needed to assist the Department in developing, implementing, and providing continuing support to the State Supplemental Rebate/PDL and Drug Rebate Processing functions for the Medicaid Pharmacy Program in accordance with the specifications and conditions set forth herein.

1.5 Qualifications for Proposer

The Proposer must meet the following qualifications prior to the deadline for receipt of proposals.

1.5.1 Proposer shall have:

- 1.5.1.1 At least five (5) years of state Medicaid Pharmacy Program experience with PDL and State Supplemental Rebates;
- 1.5.1.2 At least three (3) years of Single PDL and Multi-State Pooling experience at the state Medicaid Pharmacy level;
- 1.5.1.3 At least five (5) years' experience with Federal drug rebate administration for Medicaid;
- 1.5.1.4 At least five (5) years' experience with state supplemental drug rebate administration;
- 1.5.1.5 Completed a similar type project within the last thirty six (36) months prior to the deadline for receipt of proposals;
- 1.5.1.6 The experience and demonstrated ability to implement multi-state pooling initiatives in accordance with guidelines established by CMS in State Medicaid Director Letter (SMDL) #04-006;
- 1.5.1.7 Demonstrated ability to implement single-state PDL (FFS and MCO) initiatives in accordance with guidelines established by CMS and the Affordable Care Act (ACA); and
- 1.5.1.8 The experience and demonstrated ability to successfully negotiate value or outcomes based purchasing arrangements for pharmaceuticals or active participation in value or outcomes based purchasing initiative involving State Medicaid programs.

1.6 RFP Addenda

In the event it becomes necessary to revise any portion of the RFP for any reason, the Department shall post addenda, supplements, and/or amendments to all potential proposers known to have received the RFP. Additionally, all such supplements shall be posted at the following web address:

<https://www.cfprd.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>

May also be posted at:

<http://new.LDH.louisiana.gov/index.cfm/newsroom/category/47>

It is the responsibility of the proposer to check the DOA website for addenda to the RFP, if any.

2 ADMINISTRATIVE INFORMATION

2.1 RFP Coordinator

2.1.1 Requests for copies of the RFP and written questions or inquiries must be directed to the RFP Coordinator listed below:

Christie McCollough
Louisiana Department of Health
MVA/Financial Management & Operations
628 N 4th Street, 7th Floor
Baton Rouge, LA 70802
Email: Christie.McCollough2@la.gov
Phone: (225) 219-1318

2.1.2 All communications relating to this RFP must be directed to the LDH RFP Coordinator named above. All communications between Proposers and other LDH staff members concerning this RFP shall be strictly prohibited. Failure to comply with these requirements shall result in proposal disqualification.

2.2 Proposer Inquiries

2.2.1 LDH will consider written inquiries regarding the requirements of the RFP or Scope of Work to be provided before the date specified in the Schedule of Events. To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the above address or via email address by the date specified in the Schedule of Events. Any and all questions directed to the RFP Coordinator will be deemed to require an official response and a copy of all questions and answers will be posted by the date specified in the Schedule of Events to the following web link:

<http://wwwcfprd.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>
May also be posted at:
<http://new.ldh.louisiana.gov/index.cfm/newsroom/category/47>

2.2.2 Action taken as a result of verbal discussion shall not be binding on the Department. Only written communication and clarification from the RFP Coordinator shall be considered binding.

2.2.3 The proposer should provide an electronic copy of the inquiries in a Microsoft Excel table in the format specified below:

Submitter Name	Document Reference	Section Number	Section Heading	Page Number in Referenced Document	Question
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2.3 Blackout Period

The blackout period is a specified period of time during a competitive sealed procurement process in which any Proposer, bidder, or its agent or representative, is prohibited from communicating with any State employee or contractor of the State involved in any step in the procurement process about the affected procurement. The blackout period applies not only to State employees, but also to any contractor of the State. “Involvement” in the procurement process includes but may not be limited to project management, design, development, implementation, procurement management, development of specifications, and evaluation of proposals for a particular procurement. All solicitations for competitive sealed procurements will identify a designated contact person, as per the Proposer Inquiries section of this RFP. All communications to and from potential Proposers, bidders, vendors and/or their representatives during the blackout period must be in accordance with this RFP’s defined method of communication with the designated contact person. The blackout period will begin upon posting of the solicitation. The blackout period will end when the contract is awarded.

In those instances in which a prospective Proposer is also an incumbent contractor, the State and the incumbent contractor may contact each other with respect to the existing contract only. Under no circumstances may the State and the incumbent contractor and/or its representative(s) discuss the blacked-out procurement.

Any bidder, Proposer, or State contractor who violates the blackout period may be liable to the State in damages and/or subject to any other remedy allowed by law.

Any costs associated with cancellation or termination will be the responsibility of the Proposer or bidder.

Notwithstanding the foregoing, the blackout period shall not apply to:

- A protest to a solicitation submitted pursuant to La. R.S. 39:1671;
- Duly noticed site visits and/or conferences for bidders or Proposers;
- Oral presentations during the evaluation process; and
- Communications regarding a particular solicitation between any person and staff of the procuring agency provided the communication is limited strictly to matters of procedure. Procedural matters include deadlines for decisions or submission of proposals and the proper means of communicating regarding the procurement, but shall not include any substantive matter related to the particular procurement or requirements of the RFP.

2.4 Pre-Proposal Conference
Not required for this RFP.

2.5 Schedule of Events
LDH reserves the right to revise this schedule. Revisions, if any, before the Deadline for Receipt of Written Proposals will be formalized by the issuance of an addendum to the RFP.

Schedule of Events	
Public Notice of RFP	February 13, 2019
Deadline for Receipt of Written Questions	February 27, 2019, 4:00 pm CT
Response to Written Questions	March 14, 2019
Deadline for Receipt of Written Proposals	March 26, 2019 4:00 pm CT
Contract Award Announced on or about	April 26, 2019
Contract Begins on or about	July 1, 2019

3 SCOPE OF WORK

3.1 Project Overview

The result of this RFP will be a contract with a qualified contractor that has Medicaid experience and expertise to assist the Department in developing, implementing, and providing continuing support for the FFS Medicaid Pharmacy Program, State Supplemental Rebate/PDL, Single PDL for FFS and MCOs upon LDH's direction, and Drug Rebate Processing.

The Contractor shall:

Supplemental Rebate (SR)

- Manage all aspects of the supplemental rebate negotiation process;
- Provide information and data management of the PDL;
- Provide technical support to the P&T Committee;
- Provide clinical review of drugs, classes of drugs, monographs, and therapeutic class reviews used for recommendations;
- Provide the Department with financial and clinical analysis of P&T recommendations both before and after implementation;
- Upon LDH's direction, negotiate supplemental rebates agreements with pharmaceutical manufacturers through multi-state pooling contracts and through a single state PDL. In these negotiations, the preferred drug list may be adjusted to include limited brand name drug products in each therapeutic category;
- Upon LDH's direction, negotiate supplemental rebates for select therapeutic classes outside of the multi-state pooling contract;
- Upon LDH's direction, negotiate supplemental rebates that utilize value based or outcomes based components or other contract provisions defined and developed by LDH;
- Under LDH's direction, provide comprehensive management of the federal and supplemental drug rebate program for all covered drugs utilized by Louisiana's Medicaid pharmacy program (FFS and managed care)
- Assist with the federal and supplemental rebate and billing collection functions; and
- Prepare clinical and cost data for performance indicators for performance based budgeting.

Drug Rebate Processing (DRP)

- Manage all aspects of the Medicaid Drug Rebate Program for all Louisiana program types, as prescribed by State and federal regulations;
- Calculate the amount of rebate owed by each manufacturer and generate the respective invoices;
- Perform both the federal and supplemental rebate and billing collection functions;
- Reconcile drug rebate invoice payments timely and in compliance with LDH standards;
- Engage in dispute resolution activities with pharmaceutical manufacturers, including tracking the disputes and resulting resolution;
- Assist in quarterly CMS reporting as related to drug rebates and other areas as assigned;
- Prepare financial data in preparation of the Department's budget as it relates to rebates as requested;
- Collect and store data required to generate invoices and comply with State and federal requirements as well as the provisions of this RFP;
- Conduct financial analysis and perform special data analysis projects pertaining to the pharmacy program and/or physician-administered drug program as requested;
- Monitor policies and procedures to ensure compliance with State laws and federal regulations;
- Inform the State of new trends and developments, pharmacy innovations, state and/or federal legislation or guidance, and provide associated recommendations that may affect the rebate programs;
- Provide network administration in coordination with MMIS or other assigned LDH sections or contractors (e.g. University of Louisiana at Lafayette, etc.);
- Apply Medicaid Information Technology Architecture (MITA) 3.0 guiding principles as they pertain to drug rebate;
- Maintain process documentation for all Contractor responsibilities, including but not limited to those described in this RFP;
- Track and report program productivity; and

- Perform other rebate-related program activities as requested by the Pharmacy Director or designee.

3.2 Supplemental Rebate/PDL and Drug Rebate Processing General Requirements

The Contractor shall be responsible for the administration and management of the requirements and responsibilities of the Supplemental Rebate/PDL program and the Drug Rebate Program. The Contractor shall comply with any and all applicable LDH issued policy manuals and guides. This is also applicable to all subcontractors, employees, agents and anyone acting for or on behalf of the Contractor.

3.2.1 Quality Assurance

The Contractor shall develop a Quality Assurance Plan that documents the process to be used in assuring the quality of services provided for each requirement. The plan shall be developed with the Department's Strategic Plan outcomes in mind. The Quality Assurance Plan will be used by the Pharmacy program to monitor the quality, impact, and effectiveness of services provided under the contract.

3.2.2 Reports

- 3.2.2.1 The Contractor shall develop and deliver recurring and ad hoc reports as mutually agreed upon by the Contractor and the Department; and
- 3.2.2.2 The Contractor shall maintain flexible reporting capabilities and must be able to respond to the reporting requests of the Department and the Department's designees.

3.2.3 Staffing Requirements

- 3.2.3.1 The Contractor shall have in place the organizational, operational, managerial and administrative capacity to be capable of fulfilling all contract requirements outlined in this RFP;
- 3.2.3.2 The Contractor shall procure, equip, furnish, operate and maintain facilities appropriate to support the requirements of this RFP;
- 3.2.3.3 The Contractor must ensure that all entities or individuals, whether defined as "key staff" or not, performing services under contract with Louisiana Medicaid are not "ineligible individuals" to participate in the federal health care programs, in federal procurement or non-procurement programs or have been convicted of a criminal offense that falls within the ambit of 42 USCA 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible. Exclusion lists include the Department of Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities (available via the internet at <https://exclusions.oig.hhs.gov/>) and the General Services Administration's List of Parties Excluded from Federal Programs (available via the internet at www.sam.gov);
- 3.2.3.4 The Contractor must employ sufficient staffing and utilize appropriate resources to achieve contractual compliance. The Contractor's resource allocation must be adequate to achieve outcomes in all functional areas within the organization. Adequacy will be evaluated based on outcomes and compliance with contractual and LDH policy requirements, including the requirement for providing culturally competent services; and
- 3.2.3.5 The Contractor shall develop and maintain adequate fully trained staff to respond to all stakeholder inquiries while protecting confidentiality and maintaining the security and integrity of all systems. Staff must be trained to understand and observe requirements related to confidentiality and operating guidelines for functions included in this RFP.

3.2.4 Record-Keeping Requirements

- 3.2.4.1 The Contractor shall retain all books, recordings, records and other documents relevant to the contract and funds expended thereunder for at least five (5) years after final payment or as prescribed in 45 CFR 75.361 or whichever is longer.
- 3.2.4.2 The Contractor shall image documentation received from all stakeholders. Such images shall be in a standardized file format that is easily retrievable by LDH.

3.2.5 Confidentiality

- 3.2.5.1 The Contractor must maintain full confidentiality of all drug rebate pricing data, including Unit Rebate Amount (URA), Unit Rebate Offset Amount (UROA), Supplemental Unit Rebate Amount (SURA) data, and any multi-state or LDH specific value or outcome based rebate contract provisions in accordance with state and federal guidelines.

- 3.2.5.2 The Contractor must maintain up-to-date procedures to ensure timely and accurate responses while ensuring confidentiality of information.

3.3 Supplemental Rebate Scope

3.3.1 Pharmaceutical and Therapeutics (P&T) Committee

The Contractor shall provide the following support for the Medicaid P&T Committee including, but not limited to:

- 3.3.1.1 Supply therapeutic class reviews for the Louisiana P&T Committee. All medications available in a therapeutic class will be reviewed for comparative efficacy, side effects, dosing, prescribing trends and indications;
- 3.3.1.2 Provide cost analysis of the therapeutic class to the Committee under guidelines specified by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective;
- 3.3.1.3 Review therapeutic classes no less than annually;
- 3.3.1.4 Provide clinical pharmacists to review therapeutic classes including new medications or indications as approved by the Food and Drug Administration (FDA) and provide recommendations to the P&T Committee and the Department for appropriate changes to the PDL;
- 3.3.1.5 Support, attend in person, and present clinical and cost information for all P&T Committee meetings each year;
- 3.3.1.6 Develop the P&T Committee recommendations following the meeting to be approved by the Secretary of LDH;
- 3.3.1.7 Develop clinically sound and cost-effective recommendations at the request of the Department to help the Department manage the PDL; and
- 3.3.1.8 Provide consultation including P&T Committee support as directed by the Department.

3.3.2 Preferred Drug List (PDL)

The Contractor shall assist in the management of a PDL by providing the following, including, but not limited to:

- 3.3.2.1 Work in conjunction with the Department to develop a PDL that is clinically sound, cost-effective, and minimally disruptive to Louisiana's Medicaid recipients and their providers;
- 3.3.2.2 Review all medications available in a therapeutic class for efficacy, side effects, dosing, prescribing trends and indications, no less than annually. The P&T Committee will be provided relative cost information pursuant to guidelines approved by the Department;
- 3.3.2.3 Provide cost analysis for all drugs which the Contractor provides a clinical monograph, in addition to any additional drug reviews from other evidence based services. Cost analysis must contain cost, rebate information, utilization data, projected market share shifts and savings for each therapeutic class or specific drugs to be reviewed;
- 3.3.2.4 The cost sheets shall provide current utilization data and cost data in a format that will ensure rebate confidentiality;
- 3.3.2.5 The list of drugs included in the cost analysis must be pre-approved by the Department;
- 3.3.2.6 Develop recommendations and provide detailed strategies for maximizing the Department's annual savings resulting from the implementation of the PDL. These recommendations shall provide specific written suggestions for enhancing rebates and lowering net pharmacy costs through PDL products and other areas as requested by the Department;
- 3.3.2.7 Provide staff to present its proposal to the P&T Committee, in person, during the regular meetings as directed by the Department;
- 3.3.2.8 Provide clinical and cost support for all P&T Committee meetings. The Contractor will prepare informational packets for the P&T Committee members and Department staff prior to any scheduled meetings;
- 3.3.2.9 Present clinical monographs to LDH at least thirty (30) calendar days prior to the meeting date;

- 3.3.2.10 Assist the State in developing a single state PDL if requested by the Department, including but not limited to manually/electronically updating the PDL list. Recommendations for the Single PDL shall take into consideration costs to pharmacy providers and expenditures by MCOS; and
- 3.3.2.11 Prepare/update the PDL for posting to the LA Medicaid website or other websites as directed by LDH.

3.3.3 Supplemental Rebates

The Contractor shall manage all identified aspects of the supplemental rebate process, including, but not limited to the following:

- 3.3.3.1 Maintain existing Supplemental Rebate Agreements with pharmaceutical manufacturers, as directed by the Department;
- 3.3.3.2 Negotiate new or renewed Supplemental Rebate Agreements with pharmaceutical manufacturers on behalf of the Department. The parties will mutually develop a time frame for negotiating State Supplemental Rebates with manufacturers within therapeutic classes;
- 3.3.3.3 Determine the best methodology for calculating State Supplemental Rebates paid by pharmaceutical manufacturers and develop a template to be used in contract negotiations with pharmaceutical manufacturers that will meet CMS approval. The Contractor's methodology is subject to the Department's approval and ongoing adaptation to the Department's needs;
- 3.3.3.4 Negotiate State Supplemental Rebate Agreements for each therapeutic class selected for the PDL/Single PDL. In these negotiations, the preferred drug list may be adjusted to limit brand name drug products in each therapeutic category. The Contractor shall renegotiate the agreements as necessary at such time as the Department prepares to review such therapeutic class, and in response to changes in market conditions (e.g. when the Food and Drug Administration approves a new agent within a therapeutic class);
- 3.3.3.5 Obtain bids from pharmaceutical manufacturers in the form of executable Supplemental Rebate Agreements (the Contractor and manufacturers are required to use the rebate agreement agreed on by the Department);
- 3.3.3.6 Assist the Department in obtaining CMS approval of the State Supplemental Rebate Agreements. The Contractor must submit all State Supplemental Rebate Agreements and the Preferred Drug List for each therapeutic class to the Department for approval;
- 3.3.3.7 Present Supplemental Rebate Agreements signed by the manufacturer to the Department thirty (30) calendar days after the Department's approval of the PDL;
- 3.3.3.8 Supplemental Rebate Agreements may be made between the State of Louisiana Department of Health and the pharmaceutical manufacturers in a format approved by the Department. One (1) original copy of the Supplemental Rebate Agreement with the original signatures shall be returned to the manufacturer and one (1) original copy maintained by the Contractor for LDH;
- 3.3.3.9 Notify the Department before conducting a Supplemental Rebate Agreement negotiation;
- 3.3.3.10 Facilitate Supplemental Rebate Agreement discussions and inquiries from manufacturers. The Contractor shall provide the Department with a Supplemental Rebate Bid Solicitation Report when requested by the Department;
- 3.3.3.11 Maintain the Department's State Supplemental Rebate Agreements separately from those of the Contractor's other clients pursuant to La R.S. 44:4(36); and
- 3.3.3.12 All negotiations with manufacturers and inquiries including but not limited to meetings, telephone calls, and mailings from manufacturers regarding State Supplemental Rebate Agreements may be handled by the Contractor in its home office(s).

3.3.4 Supplemental Rebate Administration

The Contractor shall assist the State in supplemental rebate administration in the following manner, including, but not limited to:

- 3.3.4.1 Provide the capability to negotiate as a stand-alone state, in a multi-state purchasing pool, and as a state single PDL;

3.3.4.2 Implement multi-state pooling initiatives in accordance to guidelines established by CMS in SMDL #04-006 (available in the procurement library) or single state initiative. In addition, the Contractor must have clear understanding of federal and state statutes and regulations governing the Medicaid Program, Medicare Part D and State Supplemental Rebates; and

3.3.4.3 Assist the Department in dispute resolution activities with pharmaceutical manufacturers as they pertain to Supplemental Unit Rebate Agreements (SURA) calculations.

3.3.5 Annual Analysis and Recommendation Report

The Contractor shall prepare a formal annual report outlining Louisiana Medicaid PDL Program Overview and Results. In the report, the Contractor shall provide a summary of the activities of the PDL for the State Fiscal Year and assess and report the strengths and weaknesses of the PDL program, complete with opportunities for future cost saving initiatives. All data in the report shall be referenced and include current trends and best practices in the pharmacy arena.

3.3.6 Transition Plan

The Contractor shall develop a Transition Plan to facilitate a smooth transition of the contracted functions at the end of the contract period, from the Contractor back to the Department and/or to another Contractor designated by the State. The Contractor shall provide full support and assistance in the transition of operations to the Department or to a successor Contractor in order to minimize any disruption of services covered under the resulting contract of this RFP.

3.4 Drug Rebate Processing (DRP) Scope

The Contractor shall manage the federally mandated and optional state supplemental manufacturer drug rebate program by providing the following support, including but not limited to:

3.4.1 Drug Rebate Invoicing

The Contractor shall:

3.4.1.1 Manage all aspects of the Medicaid Drug Rebate invoicing process for federal, state supplemental, FFS, and MCO rebate programs for both outpatient prescription drugs and physician-administered drugs;

3.4.1.2 Invoice and collect manufacturer payments/rebates for medications dispensed by pharmacies and administered by physicians to Medicaid clients in FFS and managed care;

3.4.1.3 Interface with the Department and any contractor(s) of the Department to receive the rebate labeler data needed to perform the rebate functions contained within this RFP;

3.4.1.4 Interface with the Department and any contractor(s) of the Department to receive the Unit Rebate Amount (URA), Unit Rebate Offset Amount (UROA), and Supplemental Unit Rebate Amount (SURA) data needed to perform the rebate functions;

3.4.1.5 Maintain full confidentiality protections for all pricing data submitted, consistent with State and federal guidelines;

3.4.1.6 Utilize data from a national drug compendia to validate claims data, inform conversion factors, and carry out other functions necessary for the generation and validation of invoices. The Contractor may elect to interface with the Department and the Department's contractors, including the Fiscal Intermediary, to obtain this data;

3.4.1.7 Interface with the Department and any contractor(s) of the Department, including the Fiscal Intermediary, to receive utilization data, including FFS claims and MCO encounters;

3.4.1.8 Manage utilization data identifying non-rebateable claims;

3.4.1.9 Carry out a number of variance analysis processes to determine whether the utilization data received from the Fiscal Intermediary is complete and accurate (i.e. failure to submit all claims from FFS and all MCOs; submittal of corrupt data; wide swings in utilization by plan; outlier claims identified by paid amount, unit quantity, or other factors; etc.);

3.4.1.10 Provide network administration in coordination with MMIS or other assigned entity;

3.4.1.11 Follow Federal Invoicing Processes and Procedures;

- 3.4.1.12 Produce quarterly drug rebate invoices and maintain drug rebate invoicing process documentation;
- 3.4.1.13 Process payments of drug rebate invoices timely and in compliance with the Department's fiscal unit; and
- 3.4.1.14 Coordinate research and resolution of drug rebate disputes.

3.4.2 Drug Rebate Processing Reports and Documents

The Contractor shall:

- 3.4.2.1 Assist in quarterly CMS reporting as related to drug rebates and other areas as assigned;
- 3.4.2.2 Prepare and submit various quarterly and annual drug rebate reports to the Department as described herein. If after preparation and submission, an error is discovered either by the Contractor or the Department, the Contractor shall correct the error(s) and resubmit accurate reports within ten (10) calendar days;
- 3.4.2.3 Conduct financial analysis and perform special data analysis projects pertaining to the pharmacy program/drug rebate processing as requested;
- 3.4.2.4 Track and report program productivity;
- 3.4.2.5 Assist in the preparation of the Department's MVA/Pharmacy budget as it relates to rebates as requested;
- 3.4.2.6 Ensure that accurate and consistent information is given to program staff, drug manufacturers/labelers, providers, and recipients;
- 3.4.2.7 Monitor policies and procedures to ensure compliance with laws and federal regulations;
- 3.4.2.8 Represent Medicaid in programmatic matters at various federal, state and local hearings, meetings and conferences; and
- 3.4.2.9 Perform other pharmacy related program activities as requested by the Pharmacy Director and/or their designee.

3.4.3 Annual Analysis and Recommendation Report

The Contractor shall prepare a formal annual report outlining Louisiana Medicaid Drug Rebate Processing Overview and Results. In the report, the Contractor shall provide a summary of the drug rebate activities for the State Fiscal Year, track and report program productivity, and assess and report the strengths and weaknesses of the program complete with opportunities for future strategies to collect rebates effectively and efficiently. All data in the report shall be referenced and include current trends and best practices in the pharmacy arena.

3.4.4 Transition Plan

The Contractor shall develop a Transition Plan to facilitate a smooth transition of the contracted functions at the end of the contract period, from the Contractor back to the Department and/or to another Contractor designated by the State. The Contractor shall provide full support and assistance in the transition of operations to the Department or to a successor Contractor in order to minimize any disruption of services covered under the resulting contract of this RFP.

3.5 Deliverables

3.5.1 Supplemental Rebate/PDL and Drug Rebate Processing General Requirements

- 3.5.1.1 The Contractor shall provide clinical and contracting services required by the Department to develop, implement and operate the Department's Medicaid Pharmacy Program PDL, supplemental rebate programs, and the Drug Rebate Program. The therapeutic classes to be managed will be the administrative decision of the Department in consultation with the Contractor.
- 3.5.1.2 The Contractor shall establish and maintain a database that has the capacity for data analysis, generation of ad hoc reports, both electronic and hard copy, and secure storage of supplemental drug rebate information as required under the contract;

- 3.5.1.3 The Contractor shall develop recommendations and provide detailed strategies for maximizing the Department's annual savings resulting from the implementation of the PDL. These recommendations shall provide specific written suggestions for enhancing rebates and lowering net pharmacy costs through PDL products and other areas as requested by the Department;
- 3.5.1.4 Upon reasonable notice, Contractor shall be available for appearances before the Louisiana Legislature or other interested parties, as requested by the Department; and
- 3.5.1.5 All reports shall be delivered to the Louisiana Department of Health, Medical Vendor Administration, Pharmacy Benefits Management via email, unless otherwise directed by the Department. All deliverables and correspondence from the successful Contractor must go through the designated point of contact (Pharmacy Director or designee).

3.5.2 **Quality Assurance Plan**

The Quality Assurance Plan shall be due ninety (90) calendar days from the execution of the contract.

3.5.3 **Ad Hoc Reports**

- 3.5.3.1 The Contractor shall prepare and submit any report as required and requested by the Department, any designee of the Department, and/or CMS that is related to the Contractor's duties and obligations under the Contract at no cost to the Department. Any changes to the formats must be approved by the Department prior to implementation;
- 3.5.3.2 Information considered to be of a proprietary nature shall be clearly identified as such by the Contractor at the time of submission;
- 3.5.3.3 Reports may be modified as indicated by the Department at no additional cost to the State; and
- 3.5.3.4 The Contractor shall provide sample/other reports as requested.

3.5.4 **Staffing Requirements**

- 3.5.4.1 The Contractor's administrative office shall maintain, at a minimum, business hours of 8:00 am to 5:00 pm Central Time, Monday through Friday, excluding recognized Louisiana State holidays and be operational on all LDH regularly scheduled business days.
- 3.5.4.2 Annually and on a date determined by the Department, the Contractor shall submit:
 - 3.5.4.2.1 An updated organization chart complete with the Key and Core Staff positions. The chart must include the person's name, title and telephone number, and portion of time allocated to the Louisiana Medicaid contract, other Medicaid contracts, and other lines of business;
 - 3.5.4.2.2 A functional organization chart of the key program areas, responsibilities and the areas that report to that position; and
 - 3.5.4.2.3 A listing of all functions and their locations and a list of any functions that have moved outside of the State of Louisiana in the past contract year.
- 3.5.4.3 The Contractor shall maintain appropriate personnel to respond to administrative inquiries from the Department on business days;
- 3.5.4.4 If the Contractor has notice that any temporary, permanent, subcontract, part-time or full-time Contractor staff has become an "ineligible individual" or is proposed to become ineligible based on pending charges, the Contractor shall remove said personnel immediately from any work related to this contract and notify LDH within five (5) business days. For felony convictions, the Department will determine if the individual should be removed from the contract project;
- 3.5.4.5 If any of the organizational or key personnel information has changed since the response to the RFP, the Contractor must update and provide this information to the Department no later than the contract execution date. The same is applicable to any subcontractor information;
- 3.5.4.6 The Contractor shall provide the appropriate staff representation for attendance and participation in relevant meetings and/or events scheduled by the Department; and
- 3.5.4.7 The Contractor shall remove or reassign, upon written request from the Department any employee or subcontractor employee that the Department deems to be unacceptable.

3.5.5 Record-Keeping Requirements

The Contractor shall make available to the Department any requested records via a written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana at no cost to the Department. The Contractor shall allow the Department to inspect, audit or copy records at the Contractor's site, without cost to the Department.

3.5.6 Confidentiality

3.5.6.1 The Contractor must establish and implement proper safeguards against the unauthorized use and disclosure of the data produced and exchanged pursuant to the administration of the rebate programs as well as other aspects of the interface between LDH, CMS, and manufacturers (including but not limited to encryptions). Such safeguards shall include the adoption of policies and procedures to ensure that the data shall be used solely in accordance with program requirements and applicable federal and state law. The Contractor shall establish appropriate administrative, technical, procedural, and physical safeguards to protect the confidentiality, integrity, accessibility, and security of the data and to prevent unauthorized access to the data. The safeguards shall provide a level of security at least comparable to the level of security required of LDH by CMS, as specified by CMS. Any and all Contractor personnel interacting with this data must be advised by the Contractor of the confidential nature of the information, the safeguards required to protect the information, and the administrative, civil and criminal penalties for noncompliance contained in the applicable federal laws; and

3.5.6.2 Unless expressly authorized in the contract or prior written approval has been received from the Department, the Contractor is strictly prohibited from releasing to any third party any data received or generated as a result of activities associated with the contract. This includes, but is not limited to, utilization data, invoice amounts, collection amounts, outstanding balance amounts, etc.

3.5.7 Implementation Plan

3.5.7.1 The Contractor shall provide an implementation plan, including narrative, diagram, and timeline, to deliver all services by the start date of the contract.

3.5.7.2 Upon approval of a contract award by the Office of State Procurement, the Contractor must prepare an implementation plan within fourteen (14) days for Department approval.

3.5.8 Supplemental Rebate

3.5.8.1 Pharmaceutical and Therapeutics (P&T) Committee Reports and Documents

The Contractor shall:

3.5.8.1.1 Produce monographs, supplemental rebate negotiations, and savings analysis for each therapeutic class under review by the Committee no later than thirty (30) calendar days prior to each P&T Committee meeting. Such reviews shall include summaries of the relative safety and efficacy of each drug within the therapeutic class and recommendations for the inclusion or exclusion of medications on the PDL within each class and relative cost sheets for each drug within the therapeutic class. Savings estimations shall be coded to protect the confidentiality of rebate information in a format agreed to by the Department and the Contractor. New drugs or drug indications will be reviewed when appropriate;

3.5.8.1.2 Provide the P&T Committee recommendations report no later than three (3) business days following the meeting. The report shall consist of a listing of preferred drugs and those requiring prior authorization;

3.5.8.1.3 Provide assistance in developing the minutes of the P&T Committee during and following the meeting, which is not limited to record keeping during the meeting and assistance in writing the minutes thirty (30) calendar days or more after the meeting;

3.5.8.1.4 Provide a report no later than thirty (30) calendar days prior to each P&T Committee meeting with the financial and clinical analysis of P&T recommendations both before and after implementation, including but not limited to projected vs. actual supplemental rebate collections, to be distributed to the P&T Committee members; and

- 3.5.8.1.5 Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor.

3.5.8.2 Preferred Drug List (PDL) Reports and Documents

The Contractor shall:

- 3.5.8.2.1 Present cost sheet documents (in written format and orally) to LDH at least thirty (30) calendar days prior to the P&T meeting date;
- 3.5.8.2.2 Provide to the Department all relevant documentation and data necessary to allow the Department's P&T Committee to conduct a minimum of forty (40) therapeutic class reviews per calendar year during two (2) or more P&T Committee meetings as requested by the Department;
- 3.5.8.2.3 Review new medications in therapeutic classes affected by the PDL as these new medications are approved by the FDA;
- 3.5.8.2.4 Provide electronic files containing updates for the PDL to the Department within five (5) working days after the Department's approval of the PDL. Such files will be in a format agreed upon by the involved parties and shall include drug information to the NDC level;
- 3.5.8.2.5 Provide a progress report which includes meetings, classes reviewed, contracts with pharmaceutical manufacturers, etc. with accompanying timelines; and
- 3.5.8.2.6 Provide assistance to the State in developing a single state PDL if requested by the Department, including but not limited to manually/electronically updating the PDL list within fifteen (15) calendar days or less after the P&T meeting.

3.5.8.3 Supplemental Rebates Reports and Documents

The Contractor shall:

- 3.5.8.3.1 Produce a Monthly Contract Status Report showing the status of the State Supplemental Rebate Agreements with each manufacturer along with the manufacturer code, document and date no later than fifteen (15) calendar days after the end of each calendar month;
- 3.5.8.3.2 Produce and facilitate the signing of supplemental rebate contracts with pharmaceutical manufacturers in a format agreed to by the Department and CMS. These contracts will be forwarded to the Department;
- 3.5.8.3.3 Provide quarterly reports no later than thirty (30) days after the end of the quarter and include information in the annual report that details the compliance of Medicaid providers with the PDL;
- 3.5.8.3.4 Track the effective dates of all Supplemental Rebate Agreements and provide the Department with a Louisiana Medicaid (LAM) Billing File Report, which includes manufacturer, labeler codes and names, national drug code (NDC), status, Original (O)/Amendment (A), value, calculation, start and end dates, price, document number and tier no later than fifteen (15) calendar days after the end of each calendar month;
- 3.5.8.3.5 Produce a monthly Contract Status Report which includes manufacturer, number, document, status, start date, end date, and products no later than fifteen (15) calendar days after the end of each calendar month;
- 3.5.8.3.6 Produce an analysis of savings realized by the Pharmacy program as a result of the implementation of the PDL, in a format agreed to by the Department and the Contractor. The report shall detail the impact of the supplemental rebates on the Medicaid Pharmacy Benefits Management program in cost avoidance, supplemental rebate amounts, utilization variances and other agreed upon data within thirty (30) calendar days after receipt of the utilization data by the Department;
- 3.5.8.3.7 Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor; and
- 3.5.8.3.8 Provide assurances that the Department's Supplemental Rebate Agreements are kept confidential and held separately from its other clients.

3.5.8.4 Supplemental Rebate Administration Reports and Documents

The Contractor shall:

- 3.5.8.4.1 Provide the supplemental unit rebate amounts (SURA) data in a Department approved text file format;
- 3.5.8.4.2 Provide the necessary documentation to the Department to support the supplemental rebate billings along with amounts to submit to the manufacturers at the NDC level in a format as specified by the Department and the rebate agreements;
- 3.5.8.4.3 Provide a quarterly report listing all NDCs with zero (0) SURAs;
- 3.5.8.4.4 Provide an electronic file containing calculated SURAs to the Department within ten (10) calendar days after receipt of the CMS National Rebate file. The parties will agree upon the format for submission of each SURAs data; and
- 3.5.8.4.5 Submit a written report detailing the status of any disputes regarding SURAs with each manufacturer no later than fifteen (15) days after the end of each month during the term of the contract.

3.5.8.5 Annual Analysis and Recommendation Report

- 3.5.8.5.1 The Contractor shall annually submit a draft report for the State Supplemental Rebate/PDL program to the Department for review by January 15th and final report by February 15th.

3.5.8.6 Transition Plan

- 3.5.8.6.1 The Transition Plan shall be due within thirty (30) calendar days of contract execution. Sixty (60) calendar days prior to contract termination, or upon LDH request, an updated Transition Plan shall be submitted to LDH for approval. The plan should include, but not be limited to the following: 1) Supplemental Rebate Information, 2) P&T Committee Meeting related information, 3) PDL, 4) Invoicing Information, and 5) Savings. The Transition Plan shall be due within thirty (30) days after contract start date. The Department shall have autonomy over its PDL.

3.5.9 Drug Rebate Processing (DRP)

3.5.9.1 Drug Rebate Invoicing

3.5.9.1.1 Labeler Data

- 3.5.9.1.1.1 The Contractor shall maintain a list of active and terminated labelers and provide reports as necessary;
- 3.5.9.1.1.2 The Contractor shall maintain a history of a labeler's active and termination dates, including labelers that have more than one active period and provide reports as necessary;
- 3.5.9.1.1.3 The Contractor shall maintain a record of all labeler information provided by CMS, including but not limited to labeler contacts and addresses; and provide reports as necessary; and
- 3.5.9.1.1.4 The Contractor shall report updates in labeler status (i.e. new labelers, terminated labelers) to the Department's Fiscal Intermediary no less than once per quarter.

3.5.9.1.2 Pricing Data

- 3.5.9.1.2.1 The Contractor must use quarterly URA data to update product termination dates;
- 3.5.9.1.2.2 The Contractor must use quarterly URA, UROA, and SURAs data to generate both current quarter invoices and prior quarter adjustments;
- 3.5.9.1.2.3 Prior period rate adjustments must be applied regardless of the payment status; and

3.5.9.1.2.4 Prior period rate or unit adjustments that result in a balance owed to the State or credit due to the labeler must be communicated to the labeler on a quarterly basis.

3.5.9.1.3 Drug Compendia Data

3.5.9.1.3.1 The Contractor shall establish and maintain a system and database that has the capacity to utilize data from a national drug compendia to validate claims data, inform conversion factors, and carry out other functions necessary for the generation and validation of invoices required under the contract. If the Contractor elects to interface with the Department and the Department's contractors, including the Fiscal Intermediary, to obtain this data, it has the capacity required under the contract.

3.5.9.1.4 Managing Utilization Data

3.5.9.1.4.1 The Contractor must maintain a table of NDCs for non-rebateable products including immunizations, certain diabetic supplies, etc.;

3.5.9.1.4.2 The Contractor must maintain a table of 340B covered entities that carve in Medicaid per the Medicaid Exclusion File (MEF) published quarterly by HRSA. The methodology for review of the MEF and the decision-making process regarding which providers to include in this table are subject to Departmental review and approval;

3.5.9.1.4.3 The Contractor must interface with the Department and any contractor(s) of the Department, including the Fiscal Intermediary, to receive utilization data, including FFS claims and MCO encounters, on a schedule to be agreed upon by the Department and the Contractor;

3.5.9.1.4.4 The Contractor must submit a detailed plan of variance analyses to be performed and the frequency of each, to be approved by the Department within thirty (30) days from the execution of the contract. The Contractor must immediately report to the Department any data inconsistencies or concerns regarding data quality;

3.5.9.1.4.5 Variance analysis reports and any action taken as a result shall be maintained by the Contractor as part of the record-keeping requirements of this RFP; and

3.5.9.1.4.6 The Contractor must identify and exclude the following claims from drug rebate invoice calculations:

3.5.9.1.4.6.1 Claims from 340B covered entities who carve in Medicaid per the HRSA Medicaid Exclusion File, in accordance with the Department's policy regarding 340B covered entity Medicaid billing;

3.5.9.1.4.6.2 FFS claims where the Medicaid paid amount is zero;

3.5.9.1.4.6.3 Claims for drugs dispensed or administered in an inpatient setting; and

3.5.9.1.4.6.4 Any other claims that are deemed not rebate-eligible per federal and/or state guidelines.

3.5.9.1.5 Invoice Pre-Processing, Generation, and Quality Assurance

3.5.9.1.5.1 The Contractor must maintain a crosswalk from NDC to physician-administered drug Healthcare Common Procedure Coding System (HCPCS - often referred to as "J codes") whereby only appropriate NDCs are linked to a HCPCS with an appropriate conversion factor;

3.5.9.1.5.2 The Contractor must have procedures in place to invoice physician-administered drug claims where no NDC is submitted on the claim and the submitted HCPCS code is for a single-source drug;

3.5.9.1.5.3 The Contractor must maintain a table of conversion factors to convert NCPDP drug billing units to CMS invoice units;

- 3.5.9.1.5.4 Prior to sending invoices, the Contractor must carry out a number of variance analyses and quality assurance checks to determine whether invoice unit quantities and/or amounts are accurate;
- 3.5.9.1.5.5 The Contractor must submit a detailed plan of variance analyses and quality assurance checks to be performed and the frequency of each, to be approved by the Department within thirty (30) days from the execution of the contract;
- 3.5.9.1.5.6 The Contractor must immediately report to the Department any data inconsistencies or concerns regarding data quality;
- 3.5.9.1.5.7 Variance analysis reports and any action taken as a result shall be maintained by the Contractor as part of the record-keeping requirements of this RFP;
- 3.5.9.1.5.8 The Contractor shall produce invoices in a manner that allows for the tracking and allocation of invoiced and collected amounts for the following program types, at a minimum:
 - 3.5.9.1.5.8.1 FFS Pharmacy, Federal, Non-Expansion;
 - 3.5.9.1.5.8.2 MCO Pharmacy, Federal, Non-Expansion;
 - 3.5.9.1.5.8.3 FFS Pharmacy, Federal, Expansion;
 - 3.5.9.1.5.8.4 MCO Pharmacy, Federal, Expansion;
 - 3.5.9.1.5.8.5 FFS Pharmacy, Supplemental, Non-Expansion;
 - 3.5.9.1.5.8.6 MCO Pharmacy, Supplemental, Non-Expansion;
 - 3.5.9.1.5.8.7 FFS Pharmacy, Supplemental, Expansion;
 - 3.5.9.1.5.8.8 MCO Pharmacy, Supplemental, Expansion;
 - 3.5.9.1.5.8.9 FFS J-Code, Federal, Non-Expansion;
 - 3.5.9.1.5.8.10 MCO J-Code, Federal, Non-Expansion;
 - 3.5.9.1.5.8.11 FFS J-Code, Federal, Expansion; and
 - 3.5.9.1.5.8.12 MCO J-Code, Federal, Expansion.
- 3.5.9.1.5.9 The Contractor shall obtain URA, UROA, and labeler data required for invoice generation on or about the fifth (5th) day of each invoicing month. This data may be obtained either directly from CMS’ Drug Data Reporting (DDR) system or through interfaces with the Department or contractor(s) of the Department;
- 3.5.9.1.5.10 The Contractor shall produce and distribute one hundred percent (100%) of drug rebate invoices for federal programs within sixty (60) calendar days after the end of each quarterly rebate period;
 - 3.5.9.1.5.10.1 Federal drug rebate program paper invoices and electronic invoices shall have a postmark or transmission date within sixty (60) days of the end of each quarter, in accordance with all applicable CMS guidelines.
- 3.5.9.1.5.11 The Contractor shall produce and distribute one hundred percent (100%) of rebate invoices for supplemental programs as follows:
 - 3.5.9.1.5.11.1 Supplemental rebate paper invoices and electronic invoices shall have a postmark or transmission date on or before the dates specified in the table below. Postmark and transmission dates shall be defined in accordance with CMS guidance and definitions for the federal rebate programs.

Calendar Year Quarter	Supplemental Invoice Due Date
Q1 (Jan-Mar)	Jun 15
Q2 (Apr-Jun)	Sep 15

Q3 (Jul-Sep)	Dec 15
Q4 (Oct-Dec)	Mar 15

3.5.9.1.5.12 The Contractor shall produce and distribute invoices on an expedited schedule as requested by the Department. Such requests typically occur annually for the quarter two (2) invoicing cycle.

3.5.9.1.6 Rebate Invoice Accuracy

- 3.5.9.1.6.1 The Contractor must have in place systematic safeguards to prevent invoicing a manufacturer for a negative unit quantity;
- 3.5.9.1.6.2 The Contractor is liable for the actual amount of all contractor-caused miscalculations, failure to address past due accounts receivables adequately, and incorrectly invoicing rebates; and
- 3.5.9.1.6.3 The Contractor must, within two (2) business days, notify in writing appropriate Department staff when a data or data quality issue has been discovered by itself or a third party, describing the nature of the defect and the fields, tables, and data elements impacted and the extent of the errors, including monetary estimates. A corrective action plan shall be submitted within seven (7) calendar days for approval by the Department.

3.5.9.1.7 Dispute Resolution

- 3.5.9.1.7.1 The Contractor shall adjust invoiced units, at the claim level to the greatest extent possible, to account for billing or other errors;
- 3.5.9.1.7.2 The Contractor shall independently resolve disputes in accordance with write-off thresholds and dispute resolution procedures;
- 3.5.9.1.7.3 The Contractor shall provide manufacturers or their designated agent(s) access to materials and/or data needed to support rebate payments, including but not limited to: invoice copies, claim-level detail, and prior communications within two (2) business days of the request;
- 3.5.9.1.7.4 The Contractor shall provide claim-level detail data to labelers within two (2) business days of the request by the State or labeler;
- 3.5.9.1.7.5 The Contractor shall resolve ninety percent (90%) of all disputes within three (3) months of receipt, and one hundred percent (100%) of all disputes within six (6) months of receipt; and
- 3.5.9.1.7.6 In the event that a dispute cannot be resolved within six (6) months, the Contractor shall issue a report to the Department containing the number of units and associated dollars in dispute, the reason for the dispute, a description of all relevant communications and good faith efforts made to resolve the dispute with the labeler, and the reason the dispute remains unresolved.
- 3.5.9.1.7.7 LDH reserves the right to conduct final review and approval and make the final determination on course of action on any and all disputes. The Contractor shall comply with all LDH decisions regarding course of action for dispute resolution.

3.5.9.1.8 Labeler Non-Payment and Aged Balances

- 3.5.9.1.8.1 The Contractor shall send written delinquency notices to labelers with unpaid invoices on a schedule not less frequent than outlined below;
- 3.5.9.1.8.2 The first delinquency notice shall have a postmark or transmission date no later than the date listed below or, if the date listed is a weekend, holiday, or other non-business day, the postmark or transmission date shall be no later than the business day immediately preceding the date listed:

Invoice Quarter	Delinquency Notice Date – Federal Programs	Delinquency Notice Date – Supplemental Programs
Q1 (Jan – Mar)	July 15	July 30
Q2 (Apr – Jun)	October 15	October 30

Q3 (Jul – Sep)	January 15	January 30
Q4 (Oct – Dec)	April 15	April 30

3.5.9.1.8.3 The second delinquency notice shall have a postmark or transmission date no later than the date listed below or, if the date listed is a weekend, holiday, or other non-business day, the postmark or transmission date shall be no later than the business day immediately preceding the date listed:

Invoice Quarter	Delinquency Notice Date – Federal Programs	Delinquency Notice Date – Supplemental Programs
Q1 (Jan – Mar)	August 15	August 30
Q2 (Apr – Jun)	November 15	November 30
Q3 (Jul – Sep)	February 15	February 28
Q4 (Oct – Dec)	May 15	May 30

3.5.9.1.8.4 The Contractor shall submit, for Departmental approval, a plan for the collection of aged balances. The Contractor shall periodically report on aged balance collections in a format and frequency to be approved by the Department.

3.5.9.1.9 Drug Rebate Payments, Reconciliations, and Accounts Receivable Processes

3.5.9.1.9.1 On a daily basis, the Contractor shall download and reconcile deposit information from the State’s contracted banking lockbox provider:

3.5.9.1.9.1.1 Ninety-five percent (95%) of payments shall be reconciled within three (3) business days of receipt; and

3.5.9.1.9.1.2 One hundred percent (100%) of payments shall be reconciled within seven (7) business days of receipt.

3.5.9.1.9.2 The Contractor shall maintain, at a minimum, the following rates of accounts receivable collection:

3.5.9.1.9.2.1 Ninety percent (90%) of invoiced amounts shall be collected within sixty (60) days of invoice mailing or transmission;

3.5.9.1.9.2.2 Ninety-five percent (95%) of invoiced amounts shall be collected within one-hundred eighty (180) days of invoice mailing or transmission; and

3.5.9.1.9.2.3 Every effort shall be made to collect one hundred percent (100%) of invoiced amounts within one-hundred eighty (180) days of invoice mailing or transmission.

3.5.9.1.9.3 The Contractor shall reconcile payments and remit payment posting reports to the Department within one (1) business day after the close of each calendar month for deposits made within the month; and

3.5.9.1.9.4 The Contractor shall ensure that the Department Fiscal section is provided with any necessary information needed to close out the fiscal year prior to the deadline established by Fiscal.

3.5.9.2 Drug Rebate Processing Reports and Documents

3.5.9.2.1 Recurring reports shall include, but not be limited to, the following. Report content and formatting shall be mutually established and agreed upon by the Department and the Contractor:

3.5.9.2.1.1 Quarterly accounts receivable reporting shall be submitted by April 30, July 30, October 30, and January 30 for the quarter immediately preceding the due date;

3.5.9.2.1.2 Quarterly dispute resolution activities and resolutions shall be submitted by April 30, July 30, October 30, and January 30 for the quarter immediately preceding the due date;

- 3.5.9.2.1.3 Quarterly reports containing information needed for submission of CMS-64 data shall be submitted by April 30, July 30, October 30, and January 30 for the quarter immediately preceding the due date;
- 3.5.9.2.1.4 Monthly reports outlining the activities, progress, and challenges of the drug rebate program shall be submitted within fifteen (15) calendar days of the end of each month; and
- 3.5.9.2.1.5 Quarterly reports of pharmacies who are 340B covered entities shall reflect updates from the most recent MEF and must be provided no later than the twenty-fifth (25th) day of the month preceding the beginning of each calendar quarter.
- 3.5.9.2.2 If a Contractor error is discovered either by the Contractor or the Department, the Contractor shall correct the error(s) and submit accurate reports within ten (10) calendar days from the date of discovery by the Contractor or date of written notification by the Department (whichever is earlier):
 - 3.5.9.2.2.1 Due to the potential for cash flow impacts and federally-mandated reporting, the Department may, at its discretion, decrease the timeframe in which the Contractor is required to correct the error(s) and submit accurate reports; and
 - 3.5.9.2.2.2 The Department may, at its discretion, extend the due date if an acceptable corrective action plan has been submitted and the Contractor can demonstrate to the Department's satisfaction that the problem cannot be corrected within ten (10) calendar days.
- 3.5.9.2.3 Failure of the Contractor to respond within the above specified timeframes may result in a loss of any money due to the Contractor and the assessment of liquidated damages as provided in the Liquidated Damages Section of this RFP.

3.5.9.3 Report Submission Timeframes

- 3.5.9.3.1 The Contractor shall ensure that all required reports or files, as specified by the Department, are submitted in a timely manner for review and approval by the Department. The Contractor's failure to submit the reports or files as specified may result in the assessment of liquidated damages, as stated in the Liquidated Damages Section;
- 3.5.9.3.2 Unless otherwise specified, deadlines for submitting files and reports are as follows:
 - 3.5.9.3.2.1 Daily reports and files shall be submitted within one (1) business day of the due date;
 - 3.5.9.3.2.2 Weekly reports and files shall be submitted no later than the Wednesday following the reporting week;
 - 3.5.9.3.2.3 Monthly reports and files shall be submitted within fifteen (15) calendar days of the end of each month;
 - 3.5.9.3.2.4 Quarterly reports and files shall be submitted by April 30, July 30, October 30, and January 30 for the quarter immediately preceding the due date; and
 - 3.5.9.3.2.5 Annual reports and files shall be submitted within thirty (30) calendar days following the twelfth (12th) month.

3.5.9.4 Drug Rebate Processing Administration

- 3.5.9.4.1 The Contractor shall provide at least two (2) full-time staff to be located on the premises of the Department to facilitate the Drug Rebate Program;
- 3.5.9.4.2 In addition to the staffing requirements in section 3.5.4, the following functionality shall be incorporated:
 - 3.5.9.4.2.1 Key staff roles may include:
 - 3.5.9.4.2.1.1 Project Director;
 - 3.5.9.4.2.1.2 Quality Assurance/Internal Auditor;

3.5.9.4.2.1.3 Rebate Manager;

3.5.9.4.2.1.4 Financial Analyst; and/or

3.5.9.4.2.1.5 Systems Liaison/Business Analyst.

3.5.9.4.2.2 Final determination of key staff positions and roles shall be mutually agreed upon by the Contractor and the Department;

3.5.9.4.2.3 The Contractor shall provide the name, resume, and references for all key staff;

3.5.9.4.2.4 All key staff positions filled should be one hundred percent (100%) dedicated to Louisiana; and

3.5.9.4.2.5 The Contractor shall inform the Department in writing within seven (7) days, when an employee leaves one of the key staff positions. The vacancy shall be filled within thirty (30) days. Staff assignments shall be fully covered at all times. The name of the interim contact person should be included with the notification. The name and resume of the permanent employee should be submitted as soon as the new hire has taken place. LDH reserves the right to approve the person(s) filling the key staff positions.

3.5.9.4.3 The Contractor shall establish a Louisiana-dedicated phone line that is available at a minimum during routine business hours, defined as Monday through Friday, 8:00 am to 5:00 pm Central Time;

3.5.9.4.4 The Contractor shall, in a timely manner, respond to written communications, including those received via electronic mail;

3.5.9.4.5 The Contractor shall make every effort to respond to ninety-eight percent (98%) or more of all written correspondence within five (5) business days;

3.5.9.4.6 The Contractor shall maintain a Louisiana-specific dedicated email address to receive and respond to inquiries; and

3.5.9.4.7 The Contractor shall keep informed and up-to-date on Medicaid and other state rebate programs in order to stay abreast of rebate policies and regulations, and make suggestions to the State as necessary to ensure compliance with such policies and regulations.

3.5.9.5 Annual Analysis and Recommendation Report

3.5.9.5.1 The Contractor shall annually submit a draft report for the Drug Rebate Processing program to the Department for review by January 15th and final report by February 15th.

3.5.9.6 Transition Plan

3.5.9.6.1 The Contractor must:

3.5.9.6.1.1 Submit the Transition Plan within thirty (30) calendar days of contract execution. Sixty (60) calendar days prior to contract termination, or upon LDH request, an updated Transition Plan shall be submitted to LDH for approval;

3.5.9.6.1.2 This plan must include a detailed breakdown of processing steps performed, staffing, equipment, facilities, supply consumption, workloads, standard procedures and any additional information that the Department, at its sole discretion feels is necessary to effect a smooth transition to the successor Contractor. The Transition Plan must include invoicing information;

3.5.9.6.1.3 Provide training to successor Contractor's management in the use, operation and maintenance of computer programs, policies and procedures. The training will utilize current and complete documentation, instruction materials and handbooks. All training materials will be based on the complete and current documentation. Training will be provided for key successor contractor personnel as deemed necessary by the Department;

3.5.9.6.1.4 Perform a comprehensive assessment of all documentation. This documentation assessment will be completed and delivered to the

Department annually with a final comprehensive assessment completed before the end of the contract term on a date determined by the Department. The purpose of the review will be to assess whether the documentation accurately and completely reflects existing Department procedures, and meets all documentation requirements. The Contractor will update any documentation which is not accurate, complete and in accordance with these requirements annually with a final comprehensive assessment completed prior to the end of the contract term on a date determined by the Department;

- 3.5.9.6.1.5 Transfer the Contractor's records and associated records to the successor contractor or to the Department. This transfer will be conducted in order to prevent any interruption in the delivery of record retention services, including custodianship, preparation of copies, access, retrieval and certification while the transfer is executed. The transfer will be completed within ten (10) calendar days after receiving a request from the Department;
- 3.5.9.6.1.6 Transfer all software, files, programs, source code and documentation in an electronic format to the successor within ten (10) calendar days of receiving a request from the Department; and
- 3.5.9.6.1.7 The transition/takeover plan must be adhered to within thirty (30) days of written notification of contract termination, unless other appropriate time frames have been mutually agreed upon by both the Contractor and the Department.

3.6 Administrative Actions and Liquidated Damages

3.6.1 Administrative Actions:

- 3.6.1.1 The Department shall notify the Contractor through a written Notice of Concern when it is determined the Contractor is deficient or non-compliant with requirements of the contract. Administrative actions exclude liquidated damages and termination and include, but are not limited to:
 - 3.6.1.1.1 A warning through written notice or consultation;
 - 3.6.1.1.2 Education requirement regarding program policies and procedures;
 - 3.6.1.1.3 Referral to the appropriate authority for fraud investigation; and/or
 - 3.6.1.1.4 Submission of a corrective action plan.

3.6.2 Liquidated Damages:

- 3.6.2.1 In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. If assessed, the liquidated damages will be used to reduce the Department's payments to the Contractor or if the liquidated damages exceed amounts due from the Department, the Contractor will be required to make cash payments for the amount in excess. The Department may also delay the assessment of liquidated damages if it is in the best interest of the Department to do so. The Department may give notice to the Contractor of a failure to meet performance standards but delay the assessment of liquidated damages in order to give the Contractor an opportunity to remedy the deficiency; if the Contractor subsequently fails to remedy the deficiency to the satisfaction of the Department, the Department may reassert the assessment of liquidated damages, even following contract termination;
- 3.6.2.2 The decision to impose liquidated damages may include consideration of some or all of the following factors:
 - 3.6.2.2.1 The duration and scope of the violation;
 - 3.6.2.2.2 Whether the violation (or one that is substantially similar) has previously occurred;
 - 3.6.2.2.3 The Contractor's history of compliance;
 - 3.6.2.2.4 The severity of the violation and whether it imposes an immediate threat to the health or safety of the consumers; and
 - 3.6.2.2.5 The "good faith" exercised by the Contractor in attempting to stay in compliance.

3.6.2.3 In the event the Contractor fails to perform as required, the Contractor shall pay the Department the specified amounts listed below as agreed upon liquidated damages.

Requirement	Liquidated Damages
General (Supplemental Rebate & Drug Rebate Processing)	
Contractor shall maintain all files and perform all file updates according to the requirements in this RFP or the contract.	A one thousand dollar (\$1,000) per business day charge to the Contractor for each day after the due date until the files are maintained and/or updated.
In the event of an emergency or disaster, the Contractor shall resume operations within seventy-two (72) hours post event.	A one hundred dollar (\$100) charge to the Contractor per hour for every whole or partial hour after seventy-two (72) hours.
Contractor shall submit a Transition plan within thirty (30) calendar days of contract execution.	A five hundred dollar (\$500) charge to the Contractor per calendar day after the plan due date.
Supplemental Rebate	
Contractor shall submit all standing reports in accordance with stated requirements of this RFP, the contract, or upon direction of the Department.	A five hundred dollar (\$500) per business day charge to the Contractor may be imposed per report for each day after the report due date until the report is received.
Drug Rebate Processing	
Contractor shall submit all standing reports in accordance with stated requirements of this RFP, the contract, or upon direction of the Department.	A five hundred dollar (\$500) per business day charge to the Contractor may be imposed per report for each day after the report due date until the report is received.
Contractor shall request approval to make changes from the Department of key staff and must fill vacant contractually required positions within thirty (30) calendar days.	A five hundred dollar (\$500) per business day charge to the Contractor may be imposed for each day beyond the 30 th calendar day that a change in key staff is made but not approved by the Department, or failure to fill key staff positions.
Contractor shall accurately calculate invoices, generate invoices, and adjust invoices, including processing prior period rate changes, prior period utilization changes, and adjustments made as a result of dispute resolution.	Actual amount of the contractor-caused error that is not recovered.
Contractor shall produce and distribute 100% of drug rebate invoices for federal programs within sixty (60) calendar days after the end of each quarterly rebate period.	A one thousand dollar (\$1,000) per calendar day charge to the Contractor may be imposed for each day beyond the sixtieth (60 th) calendar day.
Contractor shall produce and distribute 100% of drug rebate invoices for supplemental programs within seventy-five (75) calendar days after the end of each quarterly rebate period.	A one thousand dollar (\$1,000) per calendar day charge to the Contractor may be imposed for each day beyond the seventy-fifth (75 th) calendar day.
The Contractor shall provide claim-level detail data to labelers within two (2) business days of the request by the State or labeler.	A one hundred dollar (\$100) per business day for each report not furnished within the required timeframe.
Contractor shall submit quarterly utilization data to CMS within sixty (60) days after the end of each quarterly rebate period.	A one thousand dollar (\$1,000) per calendar day charge to the Contractor may be imposed for each day beyond the sixtieth (60 th) calendar day.

3.6.2.3.1 For any violation not explicitly described in the table above, the Department may impose a monetary penalty of up to five thousand dollars (\$5,000) per occurrence per calendar day.

3.6.2.4 **Payment of Liquidated Damages**

3.6.2.4.1 Any liquidated damages assessed by the Department that cannot be collected through withholding from future payments shall be due and payable to the Department within thirty (30) calendar days after the Contractor’s receipt of the notice of liquidated damages. However, in the event an appeal by the Contractor results in a decision in favor of the Contractor, any such funds withheld by LDH will be returned to the Contractor.

3.6.2.4.2 If liquidated damages are insufficient, the Department has the right to pursue actual damages. If the Contractor’s failure to perform satisfactorily exposes the Department to the likelihood of contracting with another person or entity to perform services required of the Contractor under the contract, upon notice setting forth the services

and retainage, the Department may withhold from the Contractor payments in an amount commensurate with the costs anticipated to be incurred. The Department shall account to the Contractor and return any excess to the Contractor. If retainage is not sufficient, the Contractor shall immediately reimburse Contractor the difference or the Department may offset from any payments due the Contractor. The Contractor will cooperate fully with the Department and provide any assistance it needs to implement the terms of its agreement for services for retainage.

3.6.2.4.3 The Department has the right to recovery of any amounts overpaid as the result of deceptive practices by the Contractor and/or its subcontractors, and may consider trebled damages, civil penalties, and/or other remedial measures.

3.6.2.4.4 A monetary sanction may be applied to all known affiliates, subsidiaries and parents of the Contractor, provided that each decision to include an affiliate is made on a case-by-case basis after giving due regard to all relevant facts and circumstances. The violation, failure, or inadequacy of performance may be imputed to a person with whom the Contractor is affiliated where such conduct was accomplished within the course of his official duty or was effectuated by him with the knowledge or approval of such person.

3.6.2.5 **Corrective Action**

3.6.2.5.1 Whenever liquidated damages for a single occurrence exceed \$2,000.00, the Department staff will meet with Contractor staff to discuss the causes for the occurrence and to negotiate a reasonable plan for corrective action of the occurrence. Once a corrective action plan has been approved by the Department, collection of liquidated damages during the corrective action period will be suspended. The corrective action plan must include a date certain for the correction of the occurrence. Should that date for correction be missed by the Contractor, the original schedule of liquidated damages will be reinstated, including collection of liquidated damages for the corrective action period, and monetary penalties will continue until satisfactory correction as determined by the Department of the occurrence has been made.

3.7 **Fraud and Abuse**

- 3.7.1 The Contractor shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse activities.
- 3.7.2 Such policies and procedures must be in accordance with state and federal regulations. The Contractor shall have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist the Contractor in preventing and detecting potential fraud and abuse activities.

3.8 **Contingency Plan**

- 3.8.1 The Contractor, regardless of the architecture of its systems, shall develop and be continually ready to invoke a contingency plan to protect the availability, integrity, and security of data during unexpected failures or disasters (either natural or man-made) to continue essential application or system functions during or immediately following failures or disasters.
- 3.8.2 The Contingency Plan shall include a disaster recovery plan and a business continuity plan. A disaster recovery plan is designed to recover systems, networks, workstations, applications, etc. in the event of a disaster. A business continuity plan shall focus on restoring the operational function of the organization in the event of a disaster and includes items related to IT, as well as operational items such as employee notification processes and the procurement of office supplies needed to do business in the emergency mode operation environment. The practice of including both the disaster recovery plan and the business continuity plan in the contingency planning process is a best practice.
- 3.8.3 The Contractor shall submit a Contingency Plan to the Department no later than thirty (30) days from the date the contract is signed.
- 3.8.4 At a minimum, the Contingency Plan shall address the following scenarios:
 - 3.8.4.1 The central computer installation and resident software are destroyed or damaged;
 - 3.8.4.2 The system interruption or failure resulting from network, operating hardware, software, or operations errors that compromise the integrity of transaction that are active in a live system at the time of the outage;
 - 3.8.4.3 System interruption or failure resulting from network, operating hardware, software or operations errors that compromise the integrity of data maintained in a live or archival system;

- 3.8.4.4 System interruption or failure resulting from network, operating hardware, software or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system, but does prevent access to the system, such as it causes unscheduled system unavailability; and
- 3.8.4.5 The Contractor shall specify projected recovery times and data loss for mission-critical systems in the event of a declared disaster.
- 3.8.5 The Contingency Plan shall specify projected recovery times and data loss for mission-critical systems in the event of a declared disaster.
- 3.8.6 The Contractor shall annually test its plan through simulated disasters and lower level failures in order to demonstrate to the Department that it can restore system functions.
- 3.8.7 In the event the Contractor fails to demonstrate through these tests that it can restore system functions, the Contractor shall be required to submit a corrective action plan to the Department describing how the failure shall be resolved within ten (10) business days of the conclusion of the test.
- 3.8.8 **Off Site Storage and Remote Back-up**
 - 3.8.8.1 The Contractor shall provide for off-site storage and a remote back-up of operating instructions, procedures, reference files, system documentation, and operational files.
 - 3.8.8.2 The data back-up policy and procedures shall include, but not be limited to:
 - 3.8.8.2.1 Descriptions of the controls for back-up processing, including how frequently back-ups occur;
 - 3.8.8.2.2 Documented back-up procedures;
 - 3.8.8.2.3 The location of data that has been backed up (off-site and on-site, as applicable);
 - 3.8.8.2.4 Identification and description of what is being backed up as part of the back-up plan;
 - 3.8.8.2.5 Any change in back-up procedures in relation to the Contractor's technology changes; and
 - 3.8.8.2.6 A list of all back-up files to be stored at remote locations and the frequency with which these files are updated.
- 3.8.9 The Contractor shall adhere to all applicable published state security policies, which may be located at: <https://www.doa.la.gov/Pages/ots/InformationSecurity.aspx>.

3.9 Technical Requirements

3.9.1 General

- 3.9.1.1 The Contractor will be required to transmit all non-proprietary data which is relevant for analytical purposes to LDH on a regular schedule in XML format. Final determination of relevant data will be made by LDH based on collaboration between both parties. The schedule for transmission of the data will be established by LDH and dependent on the needs of the Department related to the data being transmitted. XML files for this purpose will be transmitted via SFTP to the Department. Any other data or method of transmission used for this purpose must be approved via written agreement by both parties.
- 3.9.1.2 The Contractor is responsible for procuring and maintaining hardware and software resources which are sufficient to successfully perform the services detailed in this RFP.
- 3.9.1.3 The Contractor should adhere to state and federal regulations and guidelines as well as industry standards and best practices for systems or functions required to support the requirements of this RFP.
- 3.9.1.4 Unless explicitly stated to the contrary, the Contractor is responsible for all expenses required to obtain access to LDH systems or resources which are relevant to successful completion of the requirements of this RFP. The Contractor is also responsible for expenses required for LDH to obtain access to the Contractor's systems or resources which are relevant to the successful completion of the requirements of this RFP. Such expenses are inclusive of hardware, software, network infrastructure and any licensing costs.
- 3.9.1.5 Any confidential information must be encrypted to FIPS 140-2 standards when at rest or in transit.

- 3.9.1.6 Contractor owned resources must be compliant with industry standard physical and procedural safeguards (NIST SP 800-114, NIST SP 800-66, NIST 800-53A, ISO 17788, etc.) for confidential information (HITECH, HIPAA part 164).
- 3.9.1.7 Any Contractor use of flash drives or external hard drives for storage of LDH data must first receive written approval from the Department and upon such approval shall adhere to FIPS 140-2 hardware level encryption standards.
- 3.9.1.8 All Contractor utilized computers and devices must:
 - 3.9.1.8.1 Be protected by industry standard virus protection software which is automatically updated on a regular schedule.
 - 3.9.1.8.2 Have installed all security patches which are relevant to the applicable operating system and any other system software.
 - 3.9.1.8.3 Have encryption protection enabled at the Operating System level.
- 3.9.1.9 When fully implemented, the Contractor's system must provide, at a minimum, the following functionalities:
 - 3.9.1.9.1 Interface and communicate with LDH and LDH designee systems via a secure protocol;
 - 3.9.1.9.2 Conform and adhere to all applicable HIPAA requirements regarding privacy and data security;
 - 3.9.1.9.3 Establish and maintain telecommunications with an uptime to meet or exceed 99.99%, exclusive of planned maintenance downtimes;
 - 3.9.1.9.4 Maintain high quality data for reporting processes, perform data cleansing and validation such that the data error rate will not exceed 5% on random sampling; and
 - 3.9.1.9.5 Ensure that written systems process and procedure manuals document and describe all manual and automated system procedures for its information processes and information systems.

3.9.2 Drug Rebate Processing

- 3.9.2.1 The Contractor may elect to utilize the State's existing drug rebate invoicing and accounting system, or the Contractor may elect to utilize other systems.
- 3.9.2.2 If the Contractor elects to use a system other than the Department's existing system, the system utilized shall be directly accessible by designated Departmental staff.
- 3.9.2.3 The Contractor shall support, systematically send, and monitor via a secure file transfer protocol process the Program's Medicaid quarterly utilization data to CMS in a manner, form and timeliness acceptable to the Department and in compliance with CMS requirements.
- 3.9.2.4 The Contractor must support and monitor the export of secured information to the Medicaid Data Warehouse (MDW) or any other secure system as approved by the Department.
- 3.9.2.5 The Contractor must electronically capture and process data from LDH and approved contractors, and develop control procedures that will ensure a high level of accuracy, completeness, and accountability.
- 3.9.2.6 The Contractor must maintain access to computer software and hardware capable of storing and processing the volume of data required by the various rebate programs.
- 3.9.2.7 The Contractor must be capable of responding to special programming requests and systems modifications within a reasonable period of time, not to exceed thirty (30) days or a timeframe agreed to by the Contractor and LDH, as requested by LDH.
- 3.9.2.8 Data, documents, etc. produced by the Contractor for the State is owned by the State, with the exception of proprietary data.

3.10 Subcontracting

- 3.10.1 The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement

notwithstanding, proposers may enter into subcontractor arrangements; however, they should acknowledge in their proposals total responsibility for the entire contract.

3.10.2 Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the Department.

3.10.3 For subcontractor(s), before commencing work, the Contractor will provide letters of agreement, contracts or other forms of commitment which demonstrate that all requirements pertaining to the Contractor will be satisfied by all subcontractors through the following:

3.10.3.1 The subcontractor(s) will provide a written commitment to accept all contract provisions.

3.10.3.2 The subcontractor(s) will provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract.

3.11 Compliance With Civil Rights Laws

3.11.1 The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

3.11.2 The Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, disability, age or any other non-merit factor. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of the contract.

3.12 Insurance Requirements

3.12.1 The Contractor shall not commence work under this contract until it has obtained all insurance required herein, including but not limited to Automobile Liability Insurance, Workers' Compensation Insurance and General Liability Insurance. Certificates of Insurance, fully executed by officers of the Insurance Company shall be filed with the Department for approval. The Contractor shall not allow any subcontractor to commence work on subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the Department before work is commenced. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days' written notice in advance to the Department and consented to by the Department in writing and the policies shall so provide.

3.12.2 Workers' Compensation Insurance

Before any work is commenced, the Contractor shall obtain and maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed to provide services under the contract. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

3.12.3 Commercial General Liability Insurance

The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect Contractor, the Department, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by the Contractor or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the Department. Such insurance shall name the Department as additional insured for claims arising from or as the result of the operations of the Contractor or its subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

3.12.4 Insurance Covering Special Hazards

Special hazards as determined by the Department shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

3.12.5 Licensed and Non-Licensed Motor Vehicles

The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed thereunder, unless such coverage is included in insurance elsewhere specified.

3.12.6 Subcontractor's Insurance

The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

3.12.7 Workers' Compensation and Employers' Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Department, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Department.

3.12.8 Professional Liability (Errors and Omissions)

Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$1,000,000 per claim. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the contract. The policy shall provide an extended reporting period of at least twenty-four (24) months, with full reinstatement of limits, from the expiration date of the policy, if policy is not renewed.

3.12.9 Cyber Liability

Cyber liability insurance, including first-party costs, due to an electronic breach that compromises the State's confidential data shall have a minimum limit per occurrence of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than twenty-four (24) months from the expiration date of the policy, if the policy is not renewed. The policy shall not be cancelled for any reason, except non-payment of premium.

3.13 Resources Available to Contractor

The MVA/Benefits and Services/Pharmacy Benefits Management program will have an assigned staff member who will be responsible for primary oversight of the contract. This individual will schedule meetings to discuss progress of activities and problems identified.

3.14 Contract Monitor

All work performed by the contract will be monitored by the contract monitor, Program Manager 2, or designee:

Germaine Becks-Moody
Louisiana Department of Health
Medical Vendor Administration
Benefits and Services/Pharmacy Benefits Management Program
628 North 4th Street
Baton Rouge, LA 70802
Telephone: 225.342.9768
Email: Germaine.Becks-Moody@LA.GOV

3.15 Term of Contract

- 3.15.1 The contract shall commence on or near the date approximated in the Schedule of Events. The initial term of this contract shall be three (3) years. With all proper approvals and concurrence with the successful Contractor, the Department may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Prior to the extension of the contract beyond the

initial thirty-six (36) month term, approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial three (3) year term.

- 3.15.2 No contract/amendment shall be valid, nor shall The state be bound by the contract/amendment, until it has first been executed by the Department and the Contractor, and has been approved in writing by the director of the Office of State Procurement. Total contract term, with extensions, shall not exceed five (5) years. The continuation of the contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

3.16 Payment Terms

- 3.16.1 The Contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly no later than fifteen (15) days following the month of services, or as defined in the contract terms. Payment of invoices shall be subject to approval of the Medicaid Director, Pharmacy Director, Pharmacy Program Manager 2 or designee. Continuation of payment shall be dependent upon available funding.
- 3.16.2 Payments will be made to the Contractor after written acceptance by the Louisiana Department of Health of the payment task and approval of an invoice. The Department will make every reasonable effort to make payments within thirty (30) calendar days of the approval of an invoice under a valid contract. Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. The Contractor will not be paid more than the maximum amount of the contract.
- 3.16.3 The Department, at its discretion, reserves the right to collect amounts due by withholding and applying all balances due to the Department to future payments. The Department reserves the right to collect interest on unpaid balances beginning thirty (30) calendar days from the date of initial notification. Any unpaid balances after the refund is due shall be subject to interest at the current Federal Reserve Board lending rate or ten percent (10%) annually, whichever is higher.

4 PROPOSALS

4.1 General Information

This section outlines the provisions which govern determination of compliance of each proposer's response to the RFP. The Department shall determine, in its sole discretion, whether or not the requirements have been reasonably met. Omissions of required information shall be grounds for rejection of the proposal by the Department.

4.2 Contact After Solicitation Deadline

After the date for receipt of proposals, no proposer-initiated contact relative to the solicitation will be allowed between the proposers and LDH until an award is made.

4.3 Code of Ethics

- 4.3.1 The Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 *et seq.*, Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in the contract. The Contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.
- 4.3.2 Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethics issues. Notwithstanding, any potential conflict of interest that is known or should reasonably be known by a proposer as it relates to the RFP should be immediately reported to the Department by the Proposer.

4.4 Rejection and Cancellation

Issuance of this solicitation does not constitute a commitment by LDH to award a contract(s) or to enter into a contract after an award has been made. The Department reserves the right to take any of the following actions that it determines to be in its best interest:

- 4.4.1 Reject, in whole or part, all proposals submitted in response to this RFP;
- 4.4.2 Cancel this RFP; or
- 4.4.3 Cancel or decline to enter into a contract(s) with the successful Proposer at any time after an award is made and before the contract(s) receives final approval from the Division of Administration, Office of State Procurement.

4.5 Contract Award and Execution

- 4.5.1 The Secretary of LDH reserves the right to:
 - 4.5.1.1 Make an award without presentations by proposers or further discussion of proposals received;
 - 4.5.1.2 Enter into a contract without further discussion of the proposal submitted based on the initial offers received; or
 - 4.5.1.3 Contract for all or a partial list of services offered in the proposal.
- 4.5.2 The RFP and proposal of the selected Proposer shall become part of any contract initiated by the State.
- 4.5.3 The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment III. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.
- 4.5.4 If the contract negotiation period exceeds thirty (30) days or if the selected Proposer fails to sign the final contract within fourteen (14) days of delivery, LDH may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

4.6 Assignments

Any assignment, pledge, joint venture, hypothecation of right or responsibility to any person, firm or corporation should be fully explained and detailed in the proposal. Information as to the experience and qualifications of proposed subcontractors or joint ventures should be included in the proposal. In addition, written commitments from any subcontractors or joint ventures should be included as part of the proposal. All assignments must be approved of by the Department.

4.7 Determination of Responsibility

- 4.7.1 Determination of the Proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34:V.2536. The Department must find that the selected Proposer:

- 4.7.1.1 Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
 - 4.7.1.2 Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
 - 4.7.1.3 Is able to comply with the proposed or required time of delivery or performance schedule;
 - 4.7.1.4 Has a satisfactory record of integrity, judgment, and performance; and
 - 4.7.1.5 Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
- 4.7.2 The Proposer must ensure that its proposal contains sufficient information for the Department to make its determination by presenting acceptable evidence of the above to perform the contracted services.
- 4.7.2.1 The Proposer shall include with its proposal copies of audited financial statements for each of the last three (3) years, including at least a balance sheet and profit and loss statement, or other appropriate documentation, which would demonstrate to LDH the Proposer's financial resources are sufficient to conduct the project, as required by Section 4.7.1.1 above.

4.8 Proposal and Contract Preparation Costs

The State shall not be liable for any costs incurred by proposers prior to issuance of or entering into a contract(s). Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to this RFP shall be entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the State. The Proposer shall not include these costs or any portion thereof in the proposed contract(s) cost. The Proposer is fully responsible for all preparation costs associated therewith even if an award is made but subsequently terminated by the Department.

The Proposer to which the contract(s) is awarded assumes sole responsibility for any and all costs and incidental expenses that it may incur in connection with: (1) the preparation, drafting or negotiation of the final contract(s); or (2) any activities that the Proposer may undertake in preparation for, or in anticipation or expectation of, the performance of its work under the contract(s) before the contract(s) receives final approval from the Division of Administration, Office of State Procurement.

4.9 Errors and Omissions

The Department reserves the right to make corrections due to minor errors of proposer identified in proposals by the Department or the Proposer. The Department, at its option, has the right to request clarification or additional information from the Proposer.

4.10 Ownership of Proposal

All proposals become the property of the Department and will not be returned to the Proposer. The Department retains the right to use any and all ideas or adaptations of ideas contained in any proposal received in response to this solicitation. Selection or rejection of the offer will not affect this right. Once a contract(s) is awarded, all proposals will become subject to the Louisiana Public Records Act.

4.11 Procurement Library/Resources Available To Proposer

Department program manuals and pertinent Federal and State regulations, as well as other materials, are available for review upon request in the Procurement Library. The library is located at: at 628 N. 4th Street, Baton Rouge, LA 70802 on the 6th floor. Arrangements may be made through the RFP Coordinator for access to the library. The library will be open by appointment only during the hours of 8:30 am to 3:30 pm on Monday through Friday beginning the day after release of the RFP and closing at 3:30 pm the day before proposals must be submitted. No items or materials may be removed from the library, but LDH personnel will be available to make copies of requested materials, unless protected by Federal copyright. Charges for copying are twenty-five cents (\$0.25) per page, payable at the time copies are made. Cash is not acceptable. Checks and/or money orders are to be made payable to the Louisiana Department of Health.

Relevant material related to this RFP will be posted at the following web address:
<http://new.ldh.louisiana.gov/index.cfm/newsroom/category/47>

4.12 Proposal Submission

- 4.12.1 All proposals must be received by the due date and time indicated on the Schedule of Events. Proposals received after the due date and time will not be considered. It is the sole responsibility of each Proposer to assure that its proposal is delivered at the specified location prior to the deadline. Proposals which, for any reason, are not so delivered will not be considered.
- 4.12.2 Proposer shall submit one (1) original hard copy (the Certification Statement must have original signature signed in ink), six (6) duplicate hard copies, and two (2) USB flash drives with an electronic copy of the entire

proposal on each flash drive. Proposer shall also submit one (1) electronic copy (on USB flash drive) of the redacted technical proposal, if applicable. All electronic copies must be searchable. No facsimile or emailed proposals will be accepted. The cost proposal and financial statements shall be submitted separately from the technical proposal; however, for mailing purposes, all packages may be shipped in one container.

4.12.3 Proposals must be submitted via U.S. mail, courier or hand delivered to:

If courier mail or hand delivered:
Christie McCollough
Louisiana Department of Health
MVA/Financial Management & Operations
628 N 4th Street
7th Floor
Baton Rouge, LA 70802

If delivered via US Mail:
Christie McCollough
Louisiana Department of Health
MVA/Financial Management & Operations
P.O. Box 91030
Baton Rouge, LA 70821-9030

4.13 Legibility/Clarity

Responses to the requirements of this RFP in the formats requested are desirable with all questions answered in as much detail as practicable. The Proposer’s response should demonstrate an understanding of the requirements. Proposals prepared simply and economically, providing a straightforward, concise description of the Proposer’s ability to meet the requirements of the RFP are also desired. Each Proposer shall be solely responsible for the accuracy and completeness of its proposal.

4.14 Confidential Information, Trade Secrets, and Proprietary Information

- 4.14.1 All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out the contract, or which become available to the Contractor in carrying out the contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.
- 4.14.2 Under no circumstance shall the Contractor discuss and/or release information to the media concerning this project without prior express written approval of LDH.
- 4.14.3 Only information which is in the nature of legitimate trade secrets or non-published financial data shall be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44:1, *et seq.*, and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety shall be rejected without further consideration or recourse.

4.15 Proposal Format

- 4.15.1 An item-by-item response to the Request for Proposals is requested.
- 4.15.2 There is no intent to limit the content of the proposals, and Proposers may include any additional information deemed pertinent. Emphasis should be on simple, straightforward and concise statements of the Proposer's ability to satisfy the requirements of the RFP.

4.16 Requested Proposal Outline:

- 4.16.1 Approach and Methodology
- 4.16.2 Relevant Corporate Experience
- 4.16.3 Personnel Qualifications

- 4.16.4 Additional Information
- 4.16.5 Cost and Pricing Analysis
- 4.16.6 Certification Statement

4.17 Proposal Content

4.17.1 Cover Letter

A cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.

4.17.2 Table of Contents

The proposal should be organized in the order contained herein.

4.17.3 Quality And Timeliness

Proposals should include information that will assist the Department in determining the level of quality and timeliness that may be expected. The Department shall determine, at its sole discretion, whether or not the RFP provisions have been reasonably met. The proposal should describe the background and capabilities of the Proposer, give details on how the services will be provided, and shall include a breakdown of proposed costs. Work samples may be included as part of the proposal.

4.17.4 Assume Complete Responsibility

Proposals should address how the Proposer intends to assume complete responsibility for timely performance of all contractual responsibilities in accordance with federal and state laws, regulations, policies, and procedures.

4.17.5 Approach and Methodology

Proposals should define Proposer’s functional approach in providing services and identify the tasks necessary to meet the RFP requirements of the provision of services, as outlined in Section 3. Proposals should include enough information to satisfy evaluators that the Proposer has the appropriate experience, knowledge and qualifications to perform the scope of services as described herein. Proposers should respond to all requested areas.

4.17.5.1 Administrative Data

- 4.17.5.1.1 This section should contain summary information about the Proposer's organization. This section should state Proposer’s knowledge and understanding of the needs and objectives of LDH MVA/Benefits and Services/Pharmacy Program as related to the scope of this RFP. It should further cite its ability to satisfy provisions of the Request for Proposals.
- 4.17.5.1.2 This section should include a description of how the Proposer’s organizational components communicate and work together in both an administrative and functional capacity from the top down. This section should contain a brief summary setting out the Proposer's management philosophy including, but not limited to, the role of Quality Control, Professional Practices, Supervision, Distribution of Work and Communication Systems. This section should include an organizational chart displaying the Proposer’s overall structure.
- 4.17.5.1.3 This section should also include the following information:
 - 4.17.5.1.3.1 Location of Administrative Office with Full Time Personnel, include all office locations (address) with full time personnel;
 - 4.17.5.1.3.2 Name and address of principal officer;
 - 4.17.5.1.3.3 Name and address for purpose of issuing checks and/or drafts;
 - 4.17.5.1.3.4 For corporations, a statement listing name(s) and address(es) of principal owners who hold five percent interest or more in the corporation;
 - 4.17.5.1.3.5 If out-of-state Proposer, give name and address of local representative; if none, so state;

- 4.17.5.1.3.6 If any of the Proposer's personnel named is a current or former Louisiana state employee, indicate the Agency where employed, position, title, termination date, and social security number;
- 4.17.5.1.3.7 If the Proposer was engaged by LDH within the past twenty-four (24) months, indicate the contract number and/or any other information available to identify the engagement; if not, so state;
- 4.17.5.1.3.8 Proposer's state and federal tax identification numbers; and
- 4.17.5.1.3.9 Veteran/Hudson Initiative: Proposer should demonstrate participation in Veteran Initiative and Hudson Initiative Small Entrepreneurships or explanation if not applicable. (See Attachment I)

4.17.5.2 Work Plan/Project Execution

The Proposer should articulate an understanding of, and ability to effectively implement services as outlined within Section 3 of the RFP. In this section the Proposer should state the approach it intends to use in achieving each objective of the project as outlined, including a project work plan and schedule for implementation. In particular, the Proposer should:

- 4.17.5.2.1 Provide a written explanation of the organizational structures of both operations and program administration, and how those structures will support service implementation. Individual components should include plans for supervision, training, technical assistance, as well as collaboration as appropriate.
- 4.17.5.2.2 Provide a strategic overview including all elements to be provided.
- 4.17.5.2.3 Demonstrate an ability to hire staff with the necessary experience and skill set that will enable them to effectively meet the needs of consumers served.
- 4.17.5.2.4 Demonstrate an understanding of, and ability to implement, the various types of organizational strategies to be integrated within the day to day operations, which are critical in organizing their functioning and maximizing productivity.
- 4.17.5.2.5 Demonstrate knowledge of services to be provided and effective strategies to achieve objectives and effective service delivery.
- 4.17.5.2.6 Describe approach and strategy for project oversight and management.
- 4.17.5.2.7 Articulate the need for, and the ability to implement, a plan for continuous quality improvement; this includes (but is not limited to) reviewing the quality of services provided and staff productivity.
- 4.17.5.2.8 Demonstrate an understanding of and ability to implement data collection as needed.
- 4.17.5.2.9 Explain processes that will be implemented in order to complete all tasks and phases of the project in a timely manner.
- 4.17.5.2.10 Articulate the ability to develop and implement an All Hazards Response plan in the event of an emergency event.
- 4.17.5.2.11 Refer to specific documents and reports that can be produced as a result of completing tasks, to achieve the requested deliverables.
- 4.17.5.2.12 Identify all assumptions or constraints on tasks.
- 4.17.5.2.13 Discuss what flexibility exists within the work plan to address unanticipated problems which might develop during the contract period.
- 4.17.5.2.14 Document procedures to protect the confidentiality of records in LDH databases, including records in databases that may be transmitted electronically via e-mail or the Internet.
- 4.17.5.2.15 The Proposer should clearly outline the solution's technical approach as it relates to a service oriented architecture. Details should include a description of capability and potential strategy for integration with future LDH wide enterprise components as they are established, specifically making use of an enterprise service bus for managing touch points with other systems, integration with a master data management solution and

flexibility to utilize a single identity and access management solution. The Proposer shall clearly identify any systems or portions of systems outlined in the proposal which are considered to be proprietary in nature.

- 4.17.5.2.16 If the Proposer intends to subcontract for portions of the work, the Proposer should identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the Proposer under the terms of this RFP shall also be required for each subcontractor. The prime contractor shall be the single point of contact for all subcontract work.

4.17.6 Relevant Corporate Experience

- 4.17.6.1 The proposal should indicate the Proposer's firm has a record of prior successful experience in the implementation of the services sought through this RFP. Proposers should include statements specifying the extent of responsibility on prior projects and a description of the projects' scope and similarity to the projects outlined in this RFP. All experience under this section should be in sufficient detail to allow an adequate evaluation by the Department. The proposer should have, within the last thirty-six (36) months implemented a similar type project. Proposers should give at least two (2) customer references for projects implemented in at least the last thirty-six (36) months. References shall include the name, email address and telephone number of each contact person.
- 4.17.6.2 In this section, a statement of the Proposer's involvement in litigation that could affect this work should be included. If no such litigation exists, the Proposer should so state.
- 4.17.6.3 If the organization submitting the proposal is a subsidiary of another company, the Proposer should provide the same information for the parent company along with a statement as to what percentage of the parent company's revenue is produced by the Proposer.

4.17.7 Personnel Qualifications

- 4.17.7.1 The purpose of this section is to evaluate the relevant experience, resources, and qualifications of the proposed staff to be assigned to this project. The experience of Proposer's personnel in implementing similar services to those to be provided under this RFP will be evaluated. The adequacy of personnel for the proposed project team will be evaluated on the basis of project tasks assigned, allocation of staff, professional skill mix, and level of involvement of personnel.
- 4.17.7.2 Proposers should state job responsibilities, workload and lines of supervision. An organizational chart identifying individuals and their job titles and major job duties should be included. The organizational chart should show lines of responsibility and authority.
- 4.17.7.3 Job descriptions, including the percentage of time allocated to the project and the number of personnel should be included and should indicate minimum education, training, experience, special skills and other qualifications for each staff position as well as specific job duties identified in the proposal. Job descriptions should indicate if the position will be filled by a subcontractor.
- 4.17.7.4 Key personnel and the percentage of time directly assigned to the project should be identified.
- 4.17.7.5 Résumés of all known personnel should be included. Résumés of proposed personnel should include, but not be limited to:
 - 4.17.7.5.1 Experience with Proposer,
 - 4.17.7.5.2 Previous experience in projects of similar scope and size.
 - 4.17.7.5.3 Educational background, certifications, licenses, special skills, etc.
- 4.17.7.6 If subcontractor personnel will be used, the Proposer should clearly identify these persons, if known, and provide the same information requested for the Proposer's personnel.

4.17.8 Additional Information

As an appendix to its proposal, if available, the Proposer should provide copies of any policies and procedures manuals applicable to this RFP, inclusive of organizational standards or ethical standards. This appendix should also include a copy of the Proposer's All Hazards Response Plan, if available.

4.17.9 Cost and Pricing Analysis

4.17.9.1 The Proposer shall specify costs for performance of tasks. The Proposer shall submit cost proposals for Supplemental Rebate/PDL and Drug Rebate Processing (See **Attachment VI – Cost Templates**, Tables A & B). Proposers must complete a cost proposal in the format provided to be considered for award. Failure to complete will result in the disqualification of the proposal.

4.17.9.2 Proposers shall submit the breakdown in a similar format to the attached Sample Cost Itemization form (See **Attachment V – Cost Itemization**) for each year of the contract to demonstrate how cost was determined.

4.17.10 Certification Statement

The following information **must** be included in the proposal:

The proposer must sign and submit an original Certification Statement (See Attachment II).

4.18 Waiver of Administrative Informalities

The Louisiana Department of Health reserves the right, in its sole discretion, to waive minor administrative informalities contained in any proposal.

4.19 Withdrawal of Proposal

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

4.20 Acceptance of Proposal Content

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be rejected and excluded from further consideration.

4.21 Prohibition of Discriminatory Boycotts of Israel

In preparing its response, the Proposer has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not, in the solicitation, selection, or commercial treatment of any subcontractor or supplier, refused to transact or terminated business activities, or taken other actions intended to limit commercial relations, with a person or entity that is engaging in commercial transactions in Israel or Israeli-controlled territories, with the specific intent to accomplish a boycott or divestment of Israel. Proposer also has not retaliated against any person or other entity for reporting such refusal, termination, or commercially limiting actions. The State reserves the right to reject the response of the proposer if this certification is subsequently determined to be false, and to terminate any contract awarded based on such a false response.

5 EVALUATION AND SELECTION

5.1 Evaluation Criteria

The following criteria will be used to evaluate proposals:

- 5.1.1 Evaluations will be conducted by an Evaluation Team.
- 5.1.2 Scoring will be based on a possible total of two hundred (200) points and the proposal with the highest total score will be recommended for award.

5.1.3 Cost Evaluation:

5.1.3.1 The Proposer shall complete **Attachment VI – Cost Templates, Table A – Cost Summary for Supplemental Rebate/PDL**. The Proposer with the lowest total cost for Supplemental Rebate/PDL for all three (3) years shall receive twenty-five (25) points. Other proposers shall receive points for cost based upon the following formula:

$$CCS = (LPC/PC) * 25$$

CCS = Computed Cost Score (points) for proposer being evaluated

LPC = Lowest Proposal Cost of all proposers

PC = Individual Proposal Cost

5.1.3.2 The Proposer shall complete **Attachment VI – Cost Templates, Table B – Cost Summary for Drug Rebate Processing**. The Proposer with the lowest total cost for Drug Rebate Processing for all three (3) years shall receive twenty-five (25) points. Other proposers shall receive points for cost based upon the following formula:

$$CCS = (LPC/PC) * 25$$

CCS = Computed Cost Score (points) for proposer being evaluated

LPC = Lowest Proposal Cost of all proposers

PC = Individual Proposal Cost

5.1.3.3 The assignment of the fifty (50) total cost points based on the above formulas will be calculated by a member of the LDH staff.

5.1.4 **Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation**

5.1.4.1 Twelve percent (12%) of the total evaluation points in this RFP are reserved for Proposers who are certified small entrepreneurship, or who will engage the participation of one (1) or more certified small entrepreneurship as subcontractors. Reserved points shall be added to the applicable Proposers’ evaluation score as follows:

5.1.4.2 Proposer Status and Allotment of Reserved Points:

- 5.1.4.2.1 If the Proposer is a certified Veterans Initiative small entrepreneurship, the Proposer shall receive points equal to twelve percent (12%) of the total evaluation points in this RFP.
- 5.1.4.2.2 If the Proposer is a certified Hudson Initiative small entrepreneurship, the Proposer shall receive points equal to ten percent (10%) of the total evaluation points in this RFP.
- 5.1.4.2.3 If the Proposer demonstrates its intent to use certified small entrepreneurship(s) in the performance of contract work resulting from this solicitation, the Proposer shall receive points equal to the net percentage of contract work which is projected to be performed by or through certified small entrepreneurship subcontractors, multiplied by the appropriate number of evaluation points.
- 5.1.4.2.4 The total number of points awarded pursuant to this Section shall not exceed twelve percent (12%) of the total number of evaluation points in this RFP.

5.1.4.3 If the Proposer is a certified Veterans Initiative or Hudson Initiative small entrepreneurship, the Proposer must note this in its proposal in order to receive the full amount of applicable reserved points.

- 5.1.4.4

If the Proposer is not a certified small entrepreneurship, but has engaged one (1) or more Veterans Initiative or Hudson Initiative certified small entrepreneurship(s) to participate as subcontractors, the Proposer shall provide the following information for each certified small entrepreneurship subcontractor in order to obtain any applicable Veterans Initiative or Hudson Initiative points:
- 5.1.4.4.1

Subcontractor’s name;
- 5.1.4.4.2

Subcontractor’s Veterans Initiative and/or the Hudson Initiative certification;
- 5.1.4.4.3

A detailed description of the work to be performed; and
- 5.1.4.4.4

The anticipated dollar value of the subcontract for the three-year contract term.
- 5.1.4.5

If multiple Veterans Initiative or Hudson Initiative subcontractors will be used, the above required information should be listed for each subcontractor. The Proposer should provide a sufficiently detailed description of each subcontractor’s work so the Department is able to determine if there is duplication or overlap, or if the subcontractor’s services constitute a distinct scope of work from other subcontractor(s).

Note – *it is not mandatory to have a Veterans Initiative or Hudson Initiative certified small entrepreneurship subcontractor. However, it is mandatory to include this information in order to receive any allotted points when applicable.*

5.1.5 **Evaluation Criteria and Assigned Weights**

Proposals that pass the preliminary screening and mandatory requirements review will be evaluated based on information provided in the proposal. The evaluation will be conducted according to the following:

Evaluation Criteria	Assigned Weight	
	State Supplemental Rebate/PDL	Drug Rebate Processing
Approach and Methodology	33	33
Corporate Experience	15	15
Qualification of Personnel	15	15
Cost	25	25
Louisiana Veteran and/or Hudson Initiative <ul style="list-style-type: none"> Up to 10 points available for Hudson-certified proposers; Up to 12 points available for Veteran-certified proposers; If no Veteran-certified proposers, those two points are not awarded. See Section 5.1.4 for details.	24	
Total	200	

Proposer must receive a minimum score of sixty-three (63) points, fifty percent (50%) of the total available points in the technical categories of Approach and Methodology, Corporate Experience, and Qualification of Personnel, to be considered responsive to the RFP. **Proposals not meeting the minimum score shall be rejected and not proceed to further Cost or Louisiana Veteran and/or Hudson Initiative evaluation.**

5.2 **Oral Presentation**

LDH, at its sole discretion, may require all proposers reasonably susceptible of being selected for the award to provide an oral presentation of how they propose to meet the agency’s program objectives. Commitments made by the Proposer at the oral presentation, if any, will be considered binding. The agency reserves the right to adjust the original scores based upon information received in the presentation, using the original evaluation criteria.

5.3 **Evaluation Team**

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the Department, which will determine the proposal most advantageous to the Department, taking into consideration cost and the other evaluation factors set forth in the RFP.

The evaluation team may consult subject matter expert(s) to serve in an advisory capacity regarding any proposer or proposal. Such input may include, but not be limited to, analysis of Proposer financial statements, review of technical requirements, or preparation of cost score data.

5.4 **Administrative and Mandatory Screening**

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be excluded from further consideration.

5.5 Clarification of Proposals

The Department reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities, including resolving inadequate proposal content, or contradictory statements in a Proposer’s proposal.

5.6 Announcement of Award

- 5.6.1 The Evaluation Team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible Proposer with the highest score.
- 5.6.2 The State reserves the right to make multiple awards.
- 5.6.3 The State will notify the successful Proposer and proceed to negotiate terms for final contract. Unsuccessful Proposers will be notified in writing accordingly.
- 5.6.4 The proposals received (*except for that information appropriately designated as confidential in accordance with R.S. 44:3.2*), selection memorandum along with list of criteria used along with the weight assigned each criteria, scores of each proposal considered along with overall scores of each proposal considered, and a narrative justifying selection shall be made available, upon request, to all interested parties after the “Notice of Intent to Award” letter has been issued.
- 5.6.5 Any Proposer aggrieved by the proposed award has the right to submit a protest in writing to the State Chief Procurement Officer within fourteen (14) calendar days after the award has been announced.
- 5.6.6 The award of a contract is subject to the approval of the Division of Administration, Office of State Procurement.

5.7 Best and Final Offers (BAFO)

- 5.7.1 The State reserves the right to conduct a BAFO with one or more Proposers determined by the committee to be reasonably susceptible of being selected for award. If conducted, the Proposers selected will receive written notification of their selection, with a list of specific items to be addressed in the BAFO along with instructions for submittal. The BAFO negotiation may be used to assist the State in clarifying the scope of work or to obtain the most cost effective pricing available from the Proposers.
- 5.7.2 The written invitation to participate in BAFO will not obligate the State to a commitment to enter into a contract.

5.8 Right To Prohibit Award

In accordance with the provisions of La. R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, and all contracts under Title 39, Chapter 17 of the Louisiana Procurement Code, including contracts for professional, personal, consulting, and social services.

6 **SUCCESSFUL CONTRACTOR REQUIREMENTS**

6.1 **Confidentiality of Data**

- 6.1.1 All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by LDH and made available to the Contractor in order to carry out the contract, or which become available to the Contractor in carrying out the contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to LDH. The identification of all such confidential data and information as well as LDH's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by LDH in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by LDH to be adequate for the protection of LDH's confidential information, such methods and procedures may be used, with the written consent of LDH, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

- 6.1.2 Under no circumstance shall the Contractor discuss and/or release information to the media concerning this project without prior express written approval of the ***Louisiana Department of Health.***

6.2 **Taxes**

- 6.2.1 Contractor is responsible for payment of all applicable taxes from the funds to be received under the contract.

- 6.2.2 In accordance with R.S. 39:1624(A)(10), the Louisiana Department of Revenue must determine that the prospective contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the State and collected by the Department of Revenue prior to the approval of the contract by the Office of State Procurement. The prospective contractor shall attest to its current and/or prospective compliance by signing the Certification Statement, Attachment I, submitted with its proposal, and also agrees to provide its seven-digit LDR Account Number to the contracting agency so that the prospective contractor's tax payment compliance status may be verified. The prospective contractor further acknowledges understanding that issuance of a tax clearance certificate by the Louisiana Department of Revenue is a necessary precondition to the approval and effectiveness of the contract by the Office of State Procurement. The contracting agency reserves the right to withdraw its consent to the contract without penalty and proceed with alternate arrangements should the vendor fail to resolve any identified apparent outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) days of such notification.

6.3 **Fund Use**

- 6.3.1 The Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

7 CONTRACTUAL INFORMATION

7.1 Contract

The contract between LDH and the Contractor shall include the standard LDH contract form CF-1 (Attachment III) including a negotiated scope of work, the RFP and its amendments and addenda, and the Contractor’s proposal. The attached CF-1 contains basic information and general terms and conditions of the contract to be awarded. In addition to the terms of the CF-1 and supplements, the following will be incorporated into the contract awarded through this RFP:

7.1.1 Substitution of Personnel

The Contractor’s key personnel assigned to this contract shall not be replaced without the prior written consent of the Department. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. Key personnel for these purposes will be determined during contract negotiation.

7.1.2 Force Majeure

The Contractor and the Department are excused from performance under contract for any period they may be prevented from performance by an Act of God, strike, war, civil disturbance, epidemic or court order.

7.1.3 Order of Precedence

The contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions conflict, the intent of the parties shall be determined by giving first priority to provisions of the contract excluding the RFP and the proposal; second priority to the provisions of the RFP and its amendments and addenda; and third priority to the provisions of the proposal.

7.1.4 Entire Agreement

The contract, together with the RFP and its amendments and addenda issued thereto by the Department, the proposal submitted by the Contractor in response to the Department’s RFP, and any exhibits specifically incorporated herein by reference constitute the entire agreement between the parties with respect to the subject matter.

7.1.5 Board Resolution/Signature Authority

The Contractor, if a corporation, shall secure and attach to the contract a formal Board Resolution indicating the signatory to the contract is a corporate representative and authorized to sign said contract.

7.1.6 Warranty to Comply with State and Federal Regulations

The Contractor shall warrant that it shall comply with all state and federal regulations as they exist at the time of the contract or as subsequently amended.

7.1.7 Warranty of Removal of Conflict of Interest

The Contractor shall warrant that it, its officers, and employees have no interest and shall not acquire any interest, direct or indirect, which conflicts in any manner or degree with the performance of services hereunder. The Contractor shall periodically inquire of its officers and employees concerning such conflicts, and shall inform the Department promptly of any potential conflict. The Contractor shall warrant that it shall remove any conflict of interest prior to signing the contract.

7.1.8 Corporation Requirements

If the Contractor is a corporation, the following requirements must be met prior to execution of the contract:

- 7.1.8.1 If the Contractor is a for-profit corporation whose stock is not publicly traded, the Contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.
- 7.1.8.2 If the Contractor is a corporation not incorporated under the laws of the State of Louisiana, the Contractor must obtain a Certificate of Authority pursuant to La. R.S. 12:301-302 from the Louisiana Secretary of State.
- 7.1.8.3 The Contractor must provide written assurance to the Department from Contractor’s legal counsel that the Contractor is not prohibited by its articles of incorporation, bylaws or the laws under which it is incorporated from performing the services required under the contract.

7.1.9 Contract Controversies

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1672.2-1672.4.

7.1.10 Right To Audit

The State Legislative Auditor, agency, and/or federal auditors and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of five (5) years from the date of the last payment made under the contract. Records shall be made available during normal working hours for this purpose.

7.1.11 Contract Modification

No amendment or variation of the terms of the contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

7.1.12 Severability

If any term or condition of the contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of the contract are declared severable.

7.1.13 Applicable Law

The contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to the contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

7.2 Mutual Obligations and Responsibilities

The State requires that the mutual obligations and responsibilities of LDH and the successful Proposer be recorded in a written contract. While final wording will be resolved at contract time, the intent of the provisions will not be altered and will include all provisions as specified in the attached CF-1 (Attachment III).

7.3 Retainage

The Department shall secure a retainage of ten percent (10%) from all billings under the contract as surety for performance. On successful completion of contract deliverables, the retainage amount may be released on an annual basis. Within ninety (90) days of the termination of the contract, if the Contractor has performed the contract services to the satisfaction of the Department and all invoices appear to be correct, the Department shall release all retained amounts to the Contractor.

7.4 Indemnification and Limitation of Liability

7.4.1 Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

7.4.2 Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State. If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

7.4.3 The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

- 7.4.4 In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.
- 7.4.5 For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.
- 7.4.6 The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

7.5 Termination

7.5.1 Termination For Cause

The State may terminate the Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of the contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the State to cure the defect.

7.5.2 Termination For Convenience

The State may terminate the contract at any time without penalty by giving thirty (30) calendar days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

7.5.3 Termination For Non-Appropriation Of Funds

The continuation of the contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

7.6 Independent Assurances

- 7.6.1 The State of Louisiana (Louisiana Department of Health) will also require the Contractor and/or subcontractors, if performing a key internal control, to submit to an independent SSAE 18 SOC 1 and/or type II audit of its internal controls and other financial and performance audits from outside companies to assure both the financial viability of the (outsourced) program and the operational viability, including the policies and procedures placed into operation. The audit firm will conduct tests and render an independent opinion on the operating effectiveness of the controls and procedures. When required by the State the Contractor shall be required to provide a quality control plan, such as third party Quality Assurance (QA), Independent Verification and Validation (IV&V), and other internal project/ program reviews and audits.

- 7.6.2 These audits will require the Contractor to provide any assistance, records access, information system access, staff access, and space access to the party selected to perform the independent audit. The audit firm will submit to the State Agency and/or Contractor a final report on controls placed in operations for the project and include a detailed description of the audit firm’s tests of the operating effectiveness of controls.
- 7.6.3 The Contractor shall supply the Department with an exact copy of the report within thirty (30) calendar days of completion. When required by the Department, such audits may be performed annually during the term of the contract. The Contractor shall agree to implement recommendations as suggested by the audits within three (3) months of report issuance at no cost to the State. The cost of the audit shall be borne by the Contractor.

7.7 Prohibition of Discriminatory Boycotts of Israel

In accordance with Executive Order Number JBE 2018-15, effective May 22, 2018, for any contract for \$100,000 or more and for any Contractor with five or more employees, Contractor, or any Subcontractor, shall certify it is not engaging in a boycott of Israel, and shall, for the duration of the Contract, refrain from a boycott of Israel.

The State reserves the right to terminate the Contract if the Contractor, or any Subcontractor, engages in a boycott of Israel during the term of the Contract.

Attachments

- I. Veteran and Hudson Initiatives
- II. Certification Statement
- III. LDH Standard Contract Form (CF-1)
- IV. HIPAA Business Associate Addendum
- V. Cost Itemization
- VI. Cost Templates

**Veteran-Owned and Service-Connected Small Entrepreneurships
(Veteran Initiatives) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative)
Programs**

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurship (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the State. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at:

<https://smallbiz.louisianaeconomicdevelopment.com>.

If a Proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), Proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

In RFP's requiring the compliance of a good faith subcontracting plan, the State may require Proposers to submit information on their business relationships and arrangements with certified LaVet or Hudson Initiative subcontractors at the time of proposal review. Agreements between a Proposer and a certified LaVet or Hudson Initiative subcontractor in which the certified LaVet or Hudson Initiative subcontractor promises not to provide subcontracting quotations to other Proposers shall be prohibited.

If performing its evaluation of proposals, the State reserves the right to require a non-certified Proposer to provide documentation and information supporting a good faith subcontracting plan. Such proof may include contracts between proposer and certified Veteran Initiative and/or Hudson Initiative subcontractor(s).

If a contract is awarded to a Proposer who proposed a good faith subcontracting plan, the using agency, the Louisiana Department of Economic Development (LED), or the Office of State Procurement (OSP) may audit Contractor to determine whether Contractor has complied in good faith with its subcontracting plan. The Contractor must be able to provide supporting documentation (i.e., phone logs, fax transmittals, letter, e-mails) to demonstrate its good faith subcontracting plan was followed. If it is determined at any time by the using agency, LED, or the OSP Director that the Contractor did not in fact perform in good faith its subcontracting plan, the contract award or the existing contract may be terminated.

The statutes (La. R.S. 39:2171 et. seq.) concerning the Veteran Initiative may be viewed at:

<http://www.legis.la.gov/Legis/Law.aspx?d=671504>.

The statutes (La. R.S. 39:2001 et. seq.) concerning the Hudson Initiative may be viewed at:

<http://www.legis.la.gov/Legis/Law.aspx?d=96265>.

The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at:

<http://www.doa.la.gov/pages/osp/se/secv.aspx>.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship may be obtained from the Louisiana Economic Development Certification System at: <https://smallbiz.louisianaeconomicdevelopment.com>.

Additionally, a list of Hudson and Veteran Initiative small entrepreneurship, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal:

https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg.

This may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network:

<https://wwwcfprd.doa.louisiana.gov/OSP/LaPAC/vendor/VndPubMain.cfm>.

When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.

CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

OFFICIAL CONTACT: The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date	
Official Contact Name	
Email Address	
Fax Number with Area Code	
Telephone Number	
Street Address	
City, State, and Zip	

Proposer certifies that the above information is true and grants permission to the Louisiana Department of Health to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

1. The information contained in its response to this RFP is accurate.
2. Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's technical and cost proposals are valid for ninety (90) calendar days from the date of proposer's signature below.
5. Proposer understands that if selected as the successful Proposer, he/she will have thirty (30) calendar days from the date of delivery of initial contract in which to complete contract negotiations, if any, and fourteen (14) calendar days to execute the final contract document. The Department has the option to waive this deadline if actions or inactions by the Department cause the delay.
6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in 2 CFR §200 Subpart F. (A list of parties who have been suspended or debarred can be viewed via the internet at <https://www.sam.gov>).
7. Proposer understands that, if selected as a contractor, the Louisiana Department of Revenue must determine that it is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the LDR. Proposer shall comply with R.S. 39:1624(A)(10) by providing its seven-digit LDR account number in order for tax payment compliance status to be verified.
8. Proposer further acknowledges its understanding that issuance of a tax clearance certificate by LDR is a necessary precondition to the approval of any contract by the Office of State Procurement. The contracting agency reserves the right to withdraw its consent to any contract without penalty and proceed with alternate arrangements, should a prospective contractor fail to resolve any identified outstanding tax compliance discrepancies with the LDR within seven (7) days of such notification.
9. In preparing its response, the Proposer has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not, in the solicitation, selection, or commercial treatment of any subcontractor or supplier, refused to transact or terminate business activities, or take any other action intended to limit commercial relations, with a person or entity that is engaging in commercial transactions in Israel or Israeli-controlled territories, with the specific intent to accomplish a boycott or divestment of Israel. Proposer also has not retaliated against any person or other entity for reporting such refusal, termination, or commercially limiting action. The State reserves the right to reject the response of the proposer if this certification is subsequently determined to be false, and to terminate any contract awarded based on such a false response.

Authorized Signature: _____
Original Signature Only: Electronic or Photocopy Signature are NOT Allowed

Print Name: _____

Title: _____

Attachment III – LDH Standard Contract Form (CF-1)

LDH - CF - 1

Revised: 2017-10-17

CONTRACT BETWEEN STATE OF LOUISIANA

LOUISIANA DEPARTMENT OF HEALTH

LAGOV:

LDH:

Agency #

AND

FOR

☐ Interagency ☐ Personal Services ☐ Professional Services ☐ Consulting Services ☐ Social Services

RFP NUMBER (if applicable):

1) Contractor (Registered Legal Name)	5) Federal Employer Tax ID# or SSN# (11 digits)	State LDR Account #
2) Street Address	6) Parish(es) Served	
CityStateZip Code	7) License or Certification #	
3) Telephone Number	8) Contractor Status	
	Subrecipient: <input type="checkbox"/> Yes <input type="checkbox"/> No	
4) Mailing Address (if different)	Corporation: <input type="checkbox"/> Yes <input type="checkbox"/> No	
	For Profit: <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Publicly Traded: <input type="checkbox"/> Yes <input type="checkbox"/> No	
CityStateZip Code	8a) CFDA#(Federal Grant #)	

9) Brief Description Of Services To Be Provided:

10) Effective Date	11) Termination Date
12) Maximum Contract Amount	
13) Amounts by Fiscal Year	

14) Terms of Payment

If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:

Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name	Last Name
	Title	Phone Number

15) Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. **Discrimination Clause:** Contractor hereby agrees to abide by the requirements of the following as applicable: Titles VI and VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973; Federal Executive Order 11246 as amended; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Fair Housing Act of 1968; and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services.

Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, sexual orientation, age, national origin, disability, political affiliation, veteran status, or any other non-merit factor. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this contract.

2. **Confidentiality:** Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. **Auditors:** The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a five year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Louisiana Department of Health, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or LDH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Louisiana Department of Health, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the **originating LDH Office**.

4. **Record Retention:** Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. **Record Ownership:** All records, reports, documents and other material delivered or transmitted to Contractor by the Department shall remain the property of the Department, and shall be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract. All 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 the Department, and shall, upon request, be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract.
6. **Nonassignability:** Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of State Procurement.
7. **Taxes:** Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The Contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
8. **Insurance:** Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Louisiana Department of Health, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
9. **Travel:** In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
10. **Political Activities:** No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the Legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
11. **State Employment:** Should Contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.
12. **Ownership of Proprietary Data:** All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. 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.

13. **Subcontracting:** Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of and services which are incidental but necessary for the performance of the work required under this contract.

No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.

14. **Conflict of Interest:** Contractor warrants that no person and no entity providing services pursuant to this contract on behalf of Contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113.
15. **Unauthorized Services:** No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
16. **Fiscal Funding:** This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$2,000, the Division of Administration, Office of State Procurement.

The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

17. **State and Federal Funding Requirements:** Contractor shall comply with all applicable requirements of state or federal laws or regulations relating to Contractor's receipt of state or federal funds under this contract.

If Contractor is a "subrecipient" of federal funds under this contract, as defined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Contractor shall comply with all applicable requirements of 2 CFR Part 200, including but not limited to the following:

Contractor must disclose any potential conflict of interest to the Department and the federal awarding agency as required by 2 CFR §200.112.

Contractor must disclose to the Department and the federal awarding agency, timely and in writing, all violations of federal criminal laws that may affect the federal award, as required by 2 CFR §200.113.

Contractor must safeguard protected personally identifiable information and other sensitive information, as required by 2 CFR §200.303.

Contractor must have and follow written procurement standards and procedures in compliance with federally approved methods of procurement, as required by 2 CFR §§200.317 - 200.326.

Contractor must comply with the audit requirements set forth in 2 CFR §§200.501 - 200.521, as applicable, including but not limited to:

- Electronic submission of data and reports to the Federal Audit Clearinghouse (FAC) (2 CFR §200.512(d)).
- Ensuring that reports do not include protected personally identifiable information (2 CFR §200.512(a)(2)).

Notwithstanding the provisions of paragraph 3 (Auditors) of these Terms and Conditions, copies of audit reports for audits conducted pursuant to 2 CFR Part 200 shall not be required to be sent to the Department.

18. **Amendments:** Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if the contract exceeds \$2,000, by the Division of Administration, Office of State Procurement. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
19. **Non-Infringement:** Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against LDH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in LDH's name, but at Contractor's expense and shall indemnify and hold harmless LDH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
20. **Purchased Equipment:** Any equipment purchased under this contract remains the property of the Contractor for the period this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of LDH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
21. **Indemnity:** Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, LDH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which R.S. 40:1237.1 et seq. provides malpractice coverage to the Contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause

harm to third parties (R.S. 13:5108.1(E)). Further, it does not apply to premises liability when the services are being performed on premises owned and operated by LDH.

22. **Severability:** Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.
23. **Entire Agreement:** Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.
24. **E-Verify:** Contractor acknowledges and agrees to comply with the provision of R.S. 38:2212.10 and federal law pertaining to E-Verify in the performance of services under this contract.
25. **Remedies for Default:** Any claim or controversy arising out of this contract shall be resolved by the provisions of R.S. 39:1672.2-1672.4.
26. **Governing Law:** This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, and specifications listed in the RFP (if applicable); and this Contract.
27. **Contractor's Cooperation:** The Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the state when requested. This applies even if this Contract is terminated and/or a lawsuit is filed. Specifically, the Contractor shall not limit or impede the State's right to audit or shall not withhold State owned documents.
28. **Continuing Obligation:** Contractor has a continuing obligation to disclose any suspension or debarment by any government entity, including but not limited to the General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future contracts.
29. **Eligibility Status:** Contractor and each tier of Subcontractors, shall certify that it is not excluded, disqualified, disbarred, or suspended from contracting with or receiving federal funds or grants from the Federal Government. Contractor and each tier of Subcontractors shall certify that it is not on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24CFR Part 24, and "NonProcurement Debarment and Suspension" set forth at 2CFR Part 2424.
30. **Act 211 Taxes Clause:** In accordance with R.S. 39:1624(A)(10), the Louisiana Department of Revenue must determine that the prospective contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue prior to the approval of this contract by the Office of State Procurement. The prospective contractor hereby attests to its current and/or prospective compliance, and agrees to provide its seven-digit LDR Account Number to LDH so that the prospective contractor's tax payment compliance status may be verified. The prospective contractor further acknowledges understanding that issuance of a tax clearance certificate by the Louisiana Department of Revenue is a necessary precondition to the approval and effectiveness of this contract by the Office of State Procurement. LDH reserves the right to withdraw its consent to this contract without penalty and proceed with alternate arrangements should the vendor fail to resolve any identified apparent outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) business days of such notification.
31. **Termination for Cause:** The Department may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that the Department shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the Department may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the Department to comply with the terms and conditions of this contract; provided that the Contractor shall give the Department written notice specifying the Department's failure and a reasonable opportunity for the state to cure the defect.
32. **Termination for Convenience:** The Department may terminate this Contract at any time by giving thirty (30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.
33. **Commissioner's Statements:** Statements, acts and omissions made by or on behalf of the Commissioner of Administration regarding the RFP or RFP process, this Contract, any Contractor and/or any subcontractor of the Contractor shall not be deemed a conflict of interest when the Commissioner is discharging his duties and responsibilities under law, including, but not limited, to the Commissioner of Administration's authority in procurement matters.
34. **Order of Precedence Clause:** In the event of any inconsistent or incompatible provisions in an agreement which resulted from an RFP, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal. *This Order of Precedence Clause applies only to contracts that resulted from an RFP.*

SIGNATURES TO FOLLOW ON THE NEXT PAGE

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH

SIGNATURE	DATE
NAME	
TITLE	

SIGNATURE	DATE
NAME	
TITLE	

SIGNATURE	DATE
NAME	
TITLE	

SIGNATURE	DATE
NAME	
TITLE	

Attachment IV – HIPAA Business Associate Addendum

Rev 09/2013

HIPAA Business Associate Addendum

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment _____ to the contract.

1. The Louisiana Department of Health (“LDH”) is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of LDH, as that term is defined herein, because contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of LDH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for LDH involving the disclosure of PHI.
3. Definitions: As used in this addendum –
 - A. The term “HIPAA Rules” refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (DHHS) pursuant to the Health Insurance Portability and Accountability Act (“HIPAA”) of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health (“HITECH”) Act of the American Recovery and Reinvestment Act of 2009.
 - B. The terms “Business Associate”, “Covered Entity”, “disclosure”, “electronic protected health information” (“electronic PHI”), “health care provider”, “health information”, “health plan”, “protected health information” (“PHI”), “subcontractor”, and “use” have the same meaning as set forth in 45 C.F.R. § 160.103.
 - C. The term “security incident” has the same meaning as set forth in 45 C.F.R. § 164.304.
 - D. The terms “breach” and “unsecured protected health information” (“unsecured PHI”) have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of LDH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its

agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.

8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La. R.S. 51:3071 *et seq.* At the option of LDH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by LDH, in which case contractor shall reimburse LDH for all expenses that LDH is required to incur in undertaking such mitigation activities.
9. To the extent that contractor is to carry out one or more of LDH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to LDH in the performance of such obligation(s).
10. Contractor shall make available such information in its possession which is required for LDH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to LDH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to LDH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to LDH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of LDH available to the Secretary of the U. S. DHHS for purposes of determining LDH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold LDH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between LDH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between LDH and contractor.
16. Notwithstanding any other provision of the contract, LDH shall have the right to terminate the contract immediately if LDH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of LDH, whichever occurs first, contractor shall return or destroy (at the option of LDH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

Attachment V – Cost Itemization

Sample Cost Itemization

Instructions: Proposal shall include all anticipated costs of successful implementation of all deliverables outlined in the RFP. Proposers shall complete a cost itemization in the following format to be considered for award.

Year 1	State Supplemental Rebate/PDL	Drug Rebate Processing
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		
TOTAL		

Year 2	State Supplemental Rebate/PDL	Drug Rebate Processing
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		
TOTAL		

Year 3	State Supplemental Rebate/PDL	Drug Rebate Processing
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		
TOTAL		

Year One Total: _____
Year Two Total: _____
Year Three Total: _____
Total Cost for all three years: _____

Attachment VI – Cost Templates
Tables A & B

Table A – Cost Summary for Supplemental Rebate/PDL

Proposers must complete a Cost Summary for Supplemental Rebate/PDL in the following format to be considered.

CONTRACT YEAR	Implementation Cost	Operation Cost	Total Per Year Cost
Year 1			
Year 2			
Year 3			
TOTAL FOR ALL 3 YEARS			

Table B – Cost Summary for Drug Rebate Processing

Proposers must complete a Cost Summary for Drug Rebate Processing in the following format to be considered.

CONTRACT YEAR	Implementation Cost	Operation Cost	Total Per Year Cost
Year 1			
Year 2			
Year 3			
TOTAL FOR ALL 3 YEARS			

Note: The total costs provided in Tables A and B shall equal the totals costs provided on **Attachment V**.