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DHH - CF - 1
Revised:2-08

AGREEMENT BETWEEN STATE OF LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS

CFMS: 680926
DHH: 054124
Agency # 305

Medical Vendor Administration
AND
Provider Synergies, L. L. C.
FOR

☐ Personal Services ☐ Professional Services ☒ Consulting Services ☐ Social Services

1) **Contractor (Legal Name if Corporation)** Provider Synergies, L. L. C.	5) **Federal Employer Tax ID# or Social Security #** 31159787800 **(Must be 11 Digits)**
2) **Street Address** 5181 Natorp Boulevard, Suite 205	6) **Parish(es) Served** ST
City Mason **State** OH **Zip Code** 45040	7) **License or Certification #**
3) **Telephone Number** (513) 774-8500	8) Contractor Status Subrecipient: ☐ Yes ☒ No Corporation: ☒ Yes ☐ No For Profit: ☒ Yes ☐ No Publicly Traded: ☐ Yes ☒ No
4) **Mailing Address (If different)**	
City **State** **Zip Code**	8a) **CFDA#(Federal Grant #)**

9) **Brief Description Of Services To Be Provided:**
The contractor will assist the Department in developing, implementing, and providing continuing support for the Medicaid Pharmacy Program, State Supplemental Rebate/Preferred Drug List (PDL) program. The contractor shall perform these duties as detailed in the Statement of Work, Attachment (2) two.

10) **Effective Date** 07-01-2009	11) **Termination Date** 06-30-2012

12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.

13) **Maximum Contract Amount**

14) **Terms of Payment**
Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.
The maximum amount payable under this contract will not exceed $2,029,020 for the term of this contract July 1, 2009 through June 30, 2012. The Department will pay the contractor at a base rate of $54,166 monthly for the FY 2009-2010, not to exceed $649,992; $56,333 for FY2010-2011, not to exceed $675,996; and $58,586, not to exceed $703,032 for FY2011-2012. This amount includes travel and other reimbursable expenditures. Payment will be based on approval of invoices/deliverables. See Attachment III.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	**First Name** Mary Julia	**Last Name** Terrebonne	
	Title Medicaid Pharmacy Director		**Phone Number** (225) 342-9768

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

Attachment I: HIPAA Addendum
Attachment II: Statement of Work
Attachment III: Terms of Payment
Attachment: IV: EP Plan
Attachment V: Special Provisions

Exhibit I: Board Resolution
Exhibit II: Certificate of Authority
Exhibit III: Multi Year Letter
Exhibit IV: Late Letter
Exhibit V: Out of State Justification
Exhibit VI: Resume
Exhibit VII: RFP
Exhibit VIII: Proposal

Attachment II
Statement of Work
Provider Synergies, L. L. C.

GOAL/PURPOSE

The Contractor will provide technical support for the State Supplemental Rebate Program and Preferred Drug List Management Services, including but not limited to research into the relative safety, clinical efficacy and cost of products within defined therapeutic drug classes.

The Contractor will meet the Louisiana Medicaid Pharmacy Benefits Management Program's needs in regards to developing and maintaining a Preferred Drug List (PDL) for the Louisiana Medicaid Program; negotiating supplemental rebate agreements with pharmaceutical manufacturers through a multi-state pooling initiative; and utilizing the Contractor's services to assist in billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department.

The Contractor will provide the following services:

1. Manage all aspects of the supplemental rebate negotiation process;
2. Provide information and data management of the Preferred Drug List (PDL);
3. Provide technical support to the Pharmaceutical and Therapeutics Committee (P&T);
4. Provide clinical review of drugs/classes of drugs;
5. Provide the Department with the financial and clinical analysis of P&T recommendations both before and after implementation;
6. Assist in the process of billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department; and
7. Negotiate supplemental rebates agreements with pharmaceutical manufacturers through multi-state pooling contracts. In these negotiations, the preferred drug list may be adjusted to include limited brand name drug products in each therapeutic category.

OUTCOME - # 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:

- Supply therapeutic class reviews for the Louisiana Medicaid Pharmaceutical and Therapeutics (P&T) Committee. All medications available in a therapeutic class will be reviewed for comparative efficacy, side effects, dosing, prescribing trends and indications.
- 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.
- Review therapeutic classes no less than annually.
- 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.
- Support, attend in person, and present clinical and cost information for all P&T Committee meetings each year.

- Develop clinically sound and cost-effective recommendations at the request of the Department to help the Department develop and manage the Preferred Drug List (PDL).

- Provide consultation including P&T Committee support as directed by the Department.

Performance Indicators

- Produce monographs, supplemental rebate negotiations, and savings analysis for each Therapeutic Class under review by the Committee no later than thirty (30) 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.

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

Monitoring Plan

The contract monitor shall:

- Attend the P & T Committee meetings to ensure the Contractor attends and presents the information at the meeting.
- Ensure the monographs and cost analysis are provided to the Department within the required time frame.
- Review the monographs to ensure they are in a format agreed upon by the Department.

OUTCOME - # 2

Preferred Drug List (PDL)

The Contractor shall assist in the development and management of a Preferred Drug List (PDL) by providing the following including, but not limited to:

- The Contractor shall 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.

- Review all medications available in a therapeutic class for efficacy, side effects, dosing, prescribing trends and indications, no less than annually. In addition, Contractor shall provide cost analysis of the therapeutic class to the P&T Committee as directed by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective. The P&T Committee will be provided relative cost information pursuant to guidelines approved by the Department.

- 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.

- The Contractor's staff shall be available to present its proposal to the P&T Committee, in person, during the regular meetings as directed by the Department.

- 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.

- Present clinical monographs to DHH at least thirty (30) days prior to the meeting date.

- 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.

- The cost sheets shall provide current utilization data and cost data in a format that will ensure rebate confidentiality.

- The list of drugs included in the cost analysis must be pre-approved by the Department.

Performance Indicators

- Present cost sheets (orally and in written format) to DHH at least thirty (30) days prior to the P&T meeting date.

- 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 as agreed upon by both parties for two (2) or more P&T Committee meetings as requested by the Department per calendar year.

- Review new medications in therapeutic classes affected by the PDL as these new medications are approved by the FDA.

- 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.

- Provide a progress report which includes meetings, classes reviewed, contracts with pharmaceutical manufacturers, etc. with accompanying timelines.

Monitoring Plan

The contract monitor shall:

- Ensure cost sheets and the electronic files containing updates for the PDL are provided in a timely manner
- Review the cost sheets and electronic files to ensure the requested information is provided

OUTCOME - # 3

Supplemental Rebates

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

- Maintain existing supplemental rebate agreements and negotiates new or renegotiates renewed supplemental rebate agreements with pharmaceutical manufacturers.

- Negotiate 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.

- Determine the best methodology for calculating state supplemental rebates paid by pharmaceutical manufacturers and develop a template to be used in contract negotiations that will meet CMS approval. The Contractor's methodology is subject to the Department's approval and ongoing adaptation to the Department's needs.

- Negotiate State Supplemental Rebate Agreements for each Therapeutic Class selected for the PDL. In these negotiations, the preferred drug list may be adjusted to limit brand name drug products in each therapeutic category. 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).

- Obtain bids from pharmaceutical manufacturers in the form of executable supplemental rebate agreements. (Contractor and manufacturers are required to use the rebate agreement agreed on by the Department).

- Assist the Department in obtaining CMS approval of the State Supplemental Rebate Agreements. Contractor must submit all State Supplemental Rebate Agreements and the Preferred Drug List for each Therapeutic Class to the Department for approval.

- Present supplemental rebate agreement signed by the manufacturer to the Department twenty (20) days after the Department's approval of the PDL.

- Supplemental rebate agreements may be made between the State of Louisiana Department of Health and Hospitals and the pharmaceutical manufacturers in a format approved by the Department. One original copy of the supplemental rebate agreement with the original signatures shall be returned to the manufacturer.

- Maintain existing supplemental rebate agreements and/or negotiate new supplemental rebate agreements with pharmaceutical manufacturers, as directed by the Department.

- Negotiate supplemental rebate agreements for each therapeutic class of drugs as the P&T Committee prepares to review the class. Supplemental rebate agreements shall also be renegotiated at the request of the Department.

- Notify the Department before conducting a supplemental rebate agreement negotiation.

- 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.

- Maintain the Department's State Supplemental Rebate Agreements separately from those of Contractor's other clients pursuant to LA R.S. 44:4(36).

- 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).

Performance Indicators

- 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) days after the end of each calendar month.

- 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.

- Provide annual reports that detail the compliance of Medicaid providers to the PDL.

- Track the effective dates of all Supplemental Rebate Agreements and provide the Department with a LAM Billing File Report, which includes manufacturer, labeler codes & names, national drug code (NDC), status, QA, value, calculation, start and end Dates, Price, document number & TOP$ tier, no later than fifteen (15) days after the end of each calendar month.

- Produce a Monthly TOP$ Contract Status Report which includes Mfg., Number, Document, Status, Start Date, End Date, and Products no later than fifteen (15) days after the end of each calendar month.

- 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 30 days after receipt of the utilization data by the Department.

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

- Provide assurances that the Department's supplemental rebate agreements are kept confidential and held separately from its other clients.

Monitoring Plan

The contract monitor shall:

- Review the monthly Contract Status Reports and compare to Pharmacy's internal report
- Review the monthly LAM Billing File Report and reconcile with the Department's records.
- Review the Annual Savings Analysis report
- Ensure all the reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 4

Supplemental Rebate Administration

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

- Provide the capability to negotiate in a multi-state purchasing pool.

- Implement multi-state pooling initiatives in accordance to guidelines established by CMS in SMDL #04-006. 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.

- Assist the Department in dispute resolution activities with pharmaceutical manufacturers as they pertain to SURA calculations.

Performance Indicators.

- The SURA data in a Department approved text file format.

- Contractor will 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.

- Provide a quarterly report listing all NDCs with zero ("0") SURAs.

- Provide an electronic file containing calculated supplemental unit rebate amounts (SURA) 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 SURA data.

- Submit a written report detailing the status of any disputes regarding SURA with each manufacturer no later than fifteen (15) days after the end of each month during the Term of this Agreement.

Monitoring Plan

The contract monitor shall

- Review documentation submitted to the Department by the Contractor to support the supplemental rebate billings along with amounts to submit to the manufacturers at the NDC level.
- Ensure the reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 5

Annual Analysis and Recommendation Report

Prepare a formal annual report outlining Louisiana Medicaid PDL Program Overview and Results. Provide a summary of the activities of the LDHH PDL for the State Fiscal Year. 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.

Performance Indicators

- A draft report to be submitted to the Department for review by January 15 and final report by February 15, annually.

Monitoring Plan

The contract monitor shall:

- Ensure the draft and final reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 6

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 to monitor the quality, impact, and effectiveness of services provided under the contract.

Performance Indicators

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

Monitoring Plan

- The Quality Assurance Plan will be reviewed annually to: a) see if the Contractor has met its goal for the year, b) update and/or set goals and milestones for the next year, c) analyze outcomes and effectiveness of services, and d) identify areas and opportunities for improvements.

OUTCOME - # 7

Ad Hoc Reports

Develop and deliver ad hoc reports as mutually agreed upon by the Contractor and the Department.

Performance Indicators

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- Developing 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.
- Upon reasonable notice, Contractor shall be available for appearances before the Louisiana Legislature or other interested parties, as requested by the Department.
- Provide sample reports as requested

Monitoring Plan

The contract monitor shall:

- Ensure the draft and final reports are submitted in a timely manner

- Review the documents to ensure the requested information is provided

OUTCOME - # 8

Transition Plan
The Contractor shall develop a Transition Plan to facilitate a smooth transition of the contracted functions from the Contractor at the end of the contract period, back to the Department and to another Contractor designated by the State. The plan should include, but not be limited to the following: 1) Supplemental Rebate Information, 2) P & T Committee Meeting related information, 3) Invoicing Information, and 4) Savings. The final Department approved plan shall be due no later than 10 days from execution of the new contract. The Department shall have autonomy over its PDL.

Performance Indicators

- The Transition Plan analyzing current PDL and PA processes and recommendations for the implementation and transition to a comprehensive PDL within ten (10) days following the selection as the Department's Contractor.

Monitoring Plan

The contract monitor shall:

- Ensure the report is submitted in a timely manner
- Review the documents to ensure the requested information is provided