

Pete Ricketts, Governor

## ADDENDUM SIX BAFO QUESTIONS and ANSWERS

Date: February 19, 2016

To: All Bidders

From: Michelle Thompson/Teresa Fleming, Buyers  
AS Materiel State Purchasing Bureau

RE: Addendum for Request for Proposal Number 5176Z1  
BAFO – REVISED dated 2/19/2016 to be opened February 26, 2016 at 2:00 p.m. Central Time

### BAFO Question and Answer

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

Question Number	RFP Section Reference	Question	State Response
1.	Addendum Four	Is the State asking for total cost to administer the Pharmacy Benefit Management program to include set up, card issuance, bill review audit fees <b>OR</b> is the State requesting total price to administer the program <u>and</u> <b>cost of medications</b> ? If the State wants the total price including cost of medications (lump sum) we would need to how many prescriptions, what types of drugs, quantity, strength of drugs, generic or mail order, retail generic or mail order, etc. We essentially would need a historical pharmacy data for the last two years.	The State is requesting the overall savings plus the cost of medication. If the cost of the Pharmacy Benefit Program is included as part of the other programs, please state "INCLUDED" on the BAFO.  Please review the Best and Final Offer (BAFO) – REVISED dated 2/19/2016 for revisions made to the Pharmacy Benefit Program.

2.	BAFO	What is the expectation for the completion of the "extended cost" cells in the BAFO form? Did the State want us to complete the total cost based on unit cost and estimated volume, is the expectation that we leave this blank or is there another purpose?	The Bidder may provide the extended cost in the space provided by multiplying the unit cost by the estimated quantity. In the event that an arithmetic error is made, the unit price will govern.
3.	BAFO	In regards to pharmacy pricing, and the request for an all-inclusive fee per your follow-up response to a previous inquiry: Pharmacy Benefit Programs include the cost of goods sold, including all pharmaceuticals dispensed whether retail or mail order. To the extent there is a great deal of variability within the State's pharmacy exposure, including a 23% increase year-over-year (2014 to 2015), the request for an all-inclusive lump sum cost for the entire Pharmacy Benefit Program would result in the winning TPA becoming an insurer for the State's workers' compensation pharmacy program, versus an administrative service provider. Is the intent that the State would disqualify TPA's that are able to provide Pharmacy Benefit Management services through an industry standard pricing model, but not able to insure the States' workers' compensation pharmacy expenses?	<p>See the response to question #1.</p> <p>It is not the State's intent for the TPA to become an insurer for the State's workers' compensation pharmacy program. It is the State's intent to have the TPA to provide the Pharmacy Benefit Program per the RFP and the resulting contract.</p> <p>No, it is not the intent of the State to disqualify TPA's that are able to provide Pharmacy Benefit Management services through an industry standard pricing model.</p>

This addendum will become part of the proposal and should be acknowledged.