

**AHCCCS DRUG REBATE PROGRAM**  
**Request For Proposal (RFP) YH11-0001**  
**RESPONSES TO QUESTIONS**

<b>Question #</b>	<b>Section Name</b>	<b>Paragraph # /Title</b>	<b>Page #</b>	<b>Question</b>	<b>Response</b>
1.	2. Scope of Work	1. AHCCCS Overview	4	Is Arizona's SCHIP program an expansion of its Title XIX Medicaid program, a separate Title XXI program or a combination of both?	The Arizona SCHIP Program is a federal program and members are enrolled under a stand alone Title XXI program.
2.	2. Scope of Work	1. AHCCCS Overview	4	Please identify all Managed Care Organizations (MCO) that serve Arizona's Medicaid Program. For each MCO identified, please identify the pharmacy benefit manager (PBM) that adjudicates pharmacy claims for the MCO, the drug file utilized by the PBM (e.g., First DataBank, MediSpan, etc.) and the annual volume for paid pharmacy claims.	<p>The Managed Care Contractors are listed on the AHCCCS website at <a href="http://www.azahcccs.gov/applicants/healthplans/healthplans.aspx">http://www.azahcccs.gov/applicants/healthplans/healthplans.aspx</a>.</p> <p>For PBM information, please refer to the specific AHCCCS MCO contractor.</p> <p>The State collects MCO encounter data. Data will be sent from the State to the Offeror. Recent annual volume was approximately 15 million paid retail pharmacy claims.</p>
3.	Scope of Work, 2. Project Overview	2 <sup>nd</sup> Paragraph	5	AHCCCS states that the Offeror may be responsible for negotiating supplemental rebates on behalf of AHCCCS. If AHCCCS elects to have Offeror negotiate supplemental rebates, will Offeror be responsible for attendant services such as authoring therapeutic class reviews, attending and presenting at P&T Committee meetings, formulary or Preferred Drug List management, etc.? If the Offeror will be responsible for attendant services, please explain the services for which the Offeror will be responsible and the frequency AHCCCS expects the services to be provided.	The Contractor will not be responsible for attendant services as they relate to P&T Meetings or formulary management.
4.	Scope of Work, 2. Project Overview	2 <sup>nd</sup> Paragraph	5	Please provide bidders with the specific layout(s) for claim data for both Fee for Service and MCO encounter data. How many different claims interfaces will the rebate system be required to accept?	MCOs currently submit encounter data to AHCCCS in an NCPDP format. The MCOs will not be providing data directly to the awarded Offeror.
5.	Scope of Work, 2. Project Overview	2 <sup>nd</sup> Paragraph	5	Please clarify whether AHCCCS requires a consolidated invoice (which includes both MCO and FFS), or separate invoices.	For the purposes of this RFP, AHCCCS is requiring separate invoices. A final determination will be made with the

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					awarded Offeror at the initial implementation meeting.
6.	Scope of Work, 2. Project Overview	5 <sup>th</sup> Paragraph	5	AHCCCS states that the Offeror must be able to generate a rebate invoice that states the unit type of each NDC. The current invoice layout specified by CMS (Form CMS-R-144) does not include a field for unit type nor does it require that the unit type be identified. Is AHCCCS requiring a different invoice layout than specified by CMS or will Offeror be allowed to use the CMS invoice layout?	AHCCCS requires the Offeror to use CMS guidelines and layouts.
7.	Scope of Work	Project Overview	5	The RFP states “Managed Care Organizations (MCOs) are required to submit post-adjudicated encounters for all services provided to AHCCCS members.” Will the MCOs submit encounter data to the State where it will be included with the FFS data and sent to the Offeror from the State, or will each MCO submit encounter data to the Offeror directly? If each MCO will submit data, how many different data feeds will the Offeror need to accept?	AHCCCS collects MCO encounter data. MCO and AHCCCS FFS utilization data will be sent to the Contractor from AHCCCS.
8.	Scope of Work	Project Overview	5	Will AHCCCS require all MCOs to submit encounter data in the vendor-requested format? If no, how many formats will there be and what are those formats?	MCOs currently submit encounter data to AHCCCS in an NCPDP format.
9.	Scope of Work	Project Overview	5	How far back does the State have rebate data and what is the earliest quarter that the State would supply historical data for? Does the State have all historical data in electronic form? If not, does the State expect the Offeror to manually enter historical data and if so, how much data (number of quarters, number of invoices per quarter, etc.)?	To date, AHCCCS has not collected rebates. Historical data is available going back several years and in an electronic format.
10.	Scope of Work	Project Overview	5	The RFP states “The successful Offeror may be responsible for negotiating supplemental rebates on behalf of AHCCCS on an as needed or requested basis.” <ul style="list-style-type: none"> <li>• Can the State better clarify the frequency of negotiating supplemental rebates?</li> </ul>	At this time, AHCCCS has not received any supplemental rebates and is unable to clarify the potential frequency for negotiating supplemental rebates. The use of existing contracts will depend on the drug being considered and parameters surrounding the supplemental

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				<ul style="list-style-type: none"> <li>• Will the Offeror be able to use the existing contract rates for the first quarter's invoicing in February?</li> <li>• Given the historical contracting schedule, when would the next round of contract negotiations be scheduled to begin?</li> <li>• How many labelers are currently participating in the supplemental program?</li> </ul>	rebate.
<b>11.</b>	Scope of Work	Project Overview	5	<p>When does AHCCCS expect the Offeror to generate the first invoices? Does AHCCCS expect any additional work prior to this time?</p> <p>Will the Offeror be expected to allocate any payment, resolve any dispute or perform any other administrative work prior to generating the first invoices?</p>	We expect to begin implementation as soon as an award is made. It is AHCCCS' expectation that the rebate data submissions for 3Q2010 will be completed in the 1Q2011.
<b>12.</b>	Scope of Work	Project Overview	5	<p>In the Project Overview section of the RFP there is a requirement to present the cost proposal "in a spreadsheet listing a total contract amount for each year separately, including renewal years."</p> <p>In the Pricing Schedule section however, there is a form that is to be included in the Cost Proposal.</p> <p>Please confirm that Offerors are to submit the completed Pricing Schedule provided in the RFP and a separate spreadsheet containing costs is not required.</p>	AHCCCS confirms that the cost proposal tables, for federal and supplemental rebates in the RFP, are to be used by the Offeror to submit pricing. A separate spreadsheet containing costs is not required.
<b>13.</b>	Scope of Work, Project Overview	Paragraph 3	5	<p>Would AHCCCS please provide the anticipated scope of the Supplemental Rebate program with regards to the number of drugs/drug classes for which the vendor will be asked to negotiate rebates? Will rebates be negotiated for a limited number of select drugs/classes or a more comprehensive set of drug classes? This information will assist in the determination</p>	<p>At this time, AHCCCS has not received any supplemental rebates and is unable to clarify the potential frequency or number of drugs for negotiating supplemental rebates.</p> <p>The use of existing contracts will depend on the drug being considered and</p>

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				of the resources required to implement and execute a Supplemental Rebate program on behalf of AHCCCS.	parameters surrounding the supplemental rebate.
<b>14.</b>	Scope of Work, Project Overview	Paragraph 3	5	Typically, manufacturers provide Supplemental Rebates in exchange for placement on a Preferred Drug List (PDL). Does AHCCCS plan on implementing such a program that would, for instance, require that the MCOs follow a standard formulary/Preferred Drug List based on negotiated Supplemental Rebates and clinical review? Or, will the manufacturers be asked to provide Supplemental Rebates to AHCCCS simply as a show of good will?	AHCCCS currently does not have a preferred drug list.  If the Offeror has “good will” supplemental rebate contracts, please provide a sampling with the RFP response.
<b>15.</b>	Scope of Work, Project Overview	Paragraph 3	5	Does AHCCCS plan on instituting an advisory Pharmacy and Therapeutics (P&T) or similar Committee to review clinical and, potentially, financial data?	AHCCCS currently has monthly Pharmacy & Therapeutics Committee meetings.
<b>16.</b>	Scope of Work	2. Project Overview	5	What is the anticipated date of award for this contract?	Approximately one month prior to the targeted implementation date of January 1, 2011.
<b>17.</b>	Scope of Work, 2. Project Overview	1 <sup>st</sup> Paragraph	6	AHCCCS states that the Offeror must be able to log, allocate and reconcile rebate payments at the individual encounter/claim level as well as at the NDC level. Given that rebates are based on aggregated claims and invoiced at the NDC level and manufacturer/labeler payments are remitted at the NDC level, is AHCCCS willing to reconsider and eliminate this requirement?	AHCCCS has previously been exempted from the drug rebate program. AHCCCS has requested detail from CMS for reporting requirements but has not received any direction from CMS. As such, AHCCCS believes it will need the allocation of payments at the claim/encounter level. The detailed data must be able to relate back to the original claim.
<b>18.</b>	Scope of Work, 2. Project Overview	2 <sup>nd</sup> Paragraph (Bullet 7)	6	AHCCCS states that the Offeror will be responsible for the refund of invoice overpayments. Will AHCCCS require the Offeror to remit overpayment checks to manufacturers/labelers or will the Offeror be allowed to apply overpayments as credits to future invoices?	Yes, AHCCCS expects the quarterly invoices to show an over/under payment from previous quarters.
<b>19.</b>	Scope of Work,	3.1 General	6	Will the Offeror be required to maintain a	AHCCCS will establish a lockbox with the

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	3. Program Objectives	Services, 3.1.8		lockbox to receive manufacturer/labeler rebate payments for AHCCCS?	State's contracted banking services agent. The contracted vendor must direct deposits on a daily basis to the AHCCCS lockbox.
20.	Scope of Work	Project Overview	6	The RFP states "As manufacturers/labelers make payments to the State, the Offeror must be able to log, allocate and reconcile these payments on an NDC and individual encounter/claim basis and by health plan contractor." Does the State require that each MCO's encounter claims, invoices, etc. are managed and reported separately?	The Offeror must be able to provide rebate data payment information and relate it back to specific FFS claims and MCO encounters.
21.	Scope of Work, General Services	3.1.4	6	The RFP requires the Offeror to "Create rebate invoices according to CMS established format for each drug rebate program as defined by AHCCCS." How many rebate programs has AHCCCS defined?	AHCCCS has not previously managed or participated in the federal or other rebate program.
22.	Scope of Work, General Services	3.1.7	6	The RFP requires that the Offeror "Maintain copies of generated invoices by rebate program and by billing period." If the rebate application software allows the recreation of the invoice at any time, will this meet this requirement?	Yes, as long as the data source can create a history of any corrections/adjustments.
23.	Scope of Work, General Services	3.1.8	6	The RFP requires that the Offeror "forward payments/deposits received on behalf of AHCCCS to the AHCCCS Division of Business and Finance Department." Does AHCCCS require the Offeror to manage a lockbox account for labelers to submit payment to? Does AHCCCS have a required period for the funds deposited into the Offeror's lockbox to be transferred to the State? Does a weekly funds transfer schedule suffice?	AHCCCS will establish a lockbox with the State's contracted banking services agent. The contracted vendor must direct deposits on a daily basis.
24.	Scope of Work; Pricing Schedule; Exhibit A		6, 19, 63	Are the award of supplemental rebates, Section 3.1.9 and Supplemental Rebate Pricing Sheet, pages 63 and 19, optional in the sense that the state may not award this portion of the RFP?	The RFP requests a vendor that can manage, administer, collect and resolve disputes for both federal and supplemental rebates. AHCCCS may choose when and which drugs/drug classes for the implementation of supplemental rebates.

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<b>25.</b>	Scope of Work, 3. Program Objectives	3.1 General Services, 3.1.22 & 3.1.23	7	Please specify whether the “payments database” referenced by AHCCCS refers to a database maintained by AHCCCS or the Offeror. If it is a database maintained by AHCCCS, please provide information about the database including the layouts for all input files.	The payments database shall be fully hosted by the awarded offeror with access to the database to be provided to AHCCCS staff.
<b>26.</b>	Scope of Work, 3. Program Objectives	3.1 General Services, 3.1.25	7	Please confirm that AHCCCS acknowledges that the CMS 64.21 form is utilized to report quarterly medical assistance expenditures (and OBRA and supplemental rebates) for a Title XIX SCHIP program. If AHCCCS cannot confirm the foregoing, please explain AHCCCS’ understanding of the use for the CMS 64.21 form.	AHCCCS expects the Offeror to submit the Quarterly Utilization Form in the required CMS format.  At this time, AHCCCS will not be requiring CMS Form 64.21.  Should CMS require the use of this form, the awarded Offeror will be solely responsible for providing it to AHCCCS at no additional cost.
<b>27.</b>	Scope of Work, System Capability	3.2.1.3, Specific Contractor Requirements	7	Does the State acknowledge that some new requirements may require a contract amendment or change order? Would AHCCCS consider revising this requirement to allow negotiated pricing based on the actual requirements of any new legislation so that the Offerors can all cost the precise requirements provided in this RFP rather than some unknown potential changes?	AHCCCS acknowledges that changes will occur during the life of the contract. AHCCCS will not amend the pricing of the contract. The RFP requires the Offeror provide the annual cost for an all inclusive rebate administration, collection, and dispute resolution program.
<b>28.</b>	Scope of Work, General Services	3.1.22	7	The RFP requires that the Offeror “upload current invoice data file into a payments database.” <ul style="list-style-type: none"> <li>• What purpose does this serve?</li> <li>• Is this a database maintained by the Offeror or by AHCCCS?</li> <li>• If the Offeror’s rebate application stores the invoice data in its own Oracle tables, does that meet this requirement?</li> </ul>	AHCCCS is looking for payments that correspond with the daily deposits for deposit reconciliation purpose. The database may be maintained by the awarded Offeror or by AHCCCS.  AHCCCS will need to have real-time access to the Offeror’s application to meet this requirement.
<b>29.</b>	Scope of Work, General Services	3.1.25 Generate the CMS 64.9R and 64.21 drug rebate	7	The 64.9R report would be generated for the CMS and Supplemental programs, not a 64.21. Please clarify the report 64.21 required.	AHCCCS expects the Offeror to submit the Quarterly Utilization Form in the required CMS format.

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		reports.  3.1.25.1 Maintain separate CMS and Supplemental rebate processes including separate invoicing and reconciliation processes as required by CMS and AHCCCS			The Arizona SCHIP Program members are enrolled under a stand alone Title XXI Program. At this time, AHCCCS will not be requiring CMS Form 64.21.  Should CMS require the use of a similar reporting format for Title XXI, the awarded Offeror will be solely responsible for providing it to AHCCCS at no additional cost.
30.	Scope of Work, 3.2.1 System Capability	3.2.1.4 Utilize the most recent NCPDP Drug Rebate Standard including any versions recommended by CMS for use by state Medicaid programs.	7	Is it acceptable to the State for the offeror to use a subset of the NCPDP post-adjudication standard for receipt of claim detail?	No. AHCCCS will provide the required data elements to support the CMS required format for data submissions and data elements to support the dispute resolution process.
31.	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.2 Invoice Processing and Functionality, 3.2.2.2.1	8	AHCCCS states that the invoices and cover letters must be <b>delivered</b> to the manufacturers/labelers within 60 calendar days from the end of the calendar quarter. Since rebate invoices are not customarily sent in a manner by which the Offeror is able to confirm delivery, will AHCCCS revise this requirement to read that the invoices and cover letters must be <b>mailed</b> to manufacturers/labelers within 60 calendar days from the end of the calendar quarter?	The Offeror must be able to provide delivery verification of each invoice sent to the manufacturers/labelers. This is necessary for determining the timeline that the manufacturer has in order to respond to the rebate data submission. It is the basis for determining potential late payment interest calculations.
32.	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.2 Invoice Processing and Functionality, 3.2.2.5.4	8	Please explain what is meant by the requirement that the Offeror “account for all calculations at both the OBRA and ACA level.”	The requirement is to calculate the rebate separately for the 15.1% (OBRA) and the additional 8% (ACA) in order to calculate the respective state and federal shares.

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<b>33.</b>	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.2 Invoice Processing and Functionality, 3.2.2.5.6	8	Given that prior period adjustment <b>payments</b> are not reported on the CMS tape (although prior period adjustment unit rebate amounts or URAs are reported), please explain what is being required in section 3.2.2.5.6.	Please provide the Offeror's current process to calculate, adjust and record prior period adjustment payments.
<b>34.</b>	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.2 Invoice Processing and Functionality, 3.2.2.5.7	8	Please confirm that section 3.2.2.5.7 requires that the Offeror submit with each quarter's current invoice and prior quarter utilization adjustments, prior period adjustments (changes to unit rebate amounts or URAs for prior quarters) on a separate page for each quarter affected.	Yes, the interpretation is correct; however, we will evaluate and entertain all efficient ways of receiving this information.
<b>35.</b>	Scope of Work, 3.2.1 Invoice Processing and Functionality	3.2.2.5.4 Account for all calculations at both the OBRA and ACA level.	8	Please clarify that the requirement is for rebate administration for the following 1) Medicaid FFS program, 2) the Managed Care plans (ACA), 3) a Medicaid FFS Supplemental and 4) the SCHIP program.  If so, how many plans will make up the Managed Care program?	The requirement for rebate administration is for all AHCCCS programs.  The requirement is to calculate the rebate separately for the 15.1% (OBRA) and the additional 8% (ACA) in order to calculate the state and federal shares.  Additional requirements include supplemental rebate administration, collection and dispute resolution upon request.
<b>36.</b>	Scope of Work, 3.2.1 Invoice Processing and Functionality	3.2.2.5.4 Account for all calculations at both the OBRA and ACA level.	8	Is the intention to calculate rebates for all Managed Care plans in one program or in separate programs?	The intention is to calculate rebates for all AHCCCS programs in one program. See above.
<b>37.</b>	Scope of Work, 3.2.1 Invoice Processing and Functionality	3.2.2.5.4 Account for all calculations at both the OBRA and ACA level.	8	Please provide clarification on which programs are in production today that will need to be transitioned and converted to the new offeror's system?	AHCCCS has not previously participated in a drug rebate program.
<b>38.</b>	Scope of Work	3.2.2.2.1	8	When would the contractor receive the quarterly file, as it is stated the contractor has 60 calendar days from the quarter end to deliver the invoice to the manufacturer? Does a full file come from	AHCCCS will be providing the data file to the awarded Offeror. The timeline for delivery of the file(s) will be agreed upon between the Offeror and AHCCCS.

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				the State, or are there multiple files from the MCOs?	
39.	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.3 Rebate Activity Accounting, 3.2.3.1.2	9	Given that that the application of the Medicaid Rebate Program to MCO utilization is new, please explain what AHCCCS means by requiring the Offeror to maintain payment history conversions.	For supportive documentation, AHCCCS will provide historical utilization data to minimize the potential for disputes.
40.	Scope of Work, 3.2.3 Rebate Activity Accounting	3.2.3.1.4	9	Please confirm the expectation is for payment information to be loaded into the vendor's drug rebate system.	AHCCCS is confirming that payment information is to be loaded into the awarded Offeror's drug rebate system.
41.	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.3 Rebate Activity Accounting, 3.2.3.1.6	9	Section 3.2.3.1.6 appears to be incomplete as it is unclear what is meant by the following: "...or its designated agent...". Please restate the section completely.	Our intent is that the Offeror needs to accept a file from either AHCCCS or its contracted banking agent for posting payments and reconciliation activities.
42.	Scope of Work, 3.2.3 Rebate Activity Accounting	3.2.3.1.11 Notify the manufacturer/labeler of interest due on late payments at the time the check is posted.	10	CMS regulations state that interest accrual ends at manufacturer payment postmark date. Is this requirement for daily interest calculation such that interest amounts are up-to-date at the time of check posting?	Yes. The interest calculation must be up-to-date at time of the manufacturer's/labeler's payment posting date.
43.	Scope of Work, 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.4 Quality Assurance, 3.2.4.1.1.4	11	In section 3.2.4.1.1.4, AHCCCS states that the Offeror must electronically create invoices for <b>each</b> manufacturer/labeler while section 3.2.2.1.1 states that the Offeror create federal and supplemental rebate invoices on electronic media <b>as requested</b> by the manufacturers/labelers. Will the Offeror be required to create electronic rebate invoices for each manufacturer/labeler or only for the manufacturers/labelers that request invoices on electronic media?	Only for the manufacturers/labelers that request an electronic invoice.
44.	Scope of Work 3. Program Objectives	3.2 Specific Contractor Requirements, 3.2.8 ISD	12	Does AHCCCS require physician administered drug claims to be billed using both a HCPCS code and a NDC or only a HCPCS code? Can a physician administered	NDCs are not currently captured on medical or institutional claims. Capturing NDCs on 837 claims will be implemented with version 5010.

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		Requirements, 3.2.8.1.2		drug claim be billed only using a NDC? Please provide information regarding AHCCCS' requirements for the billing of physician administered drug claims.	
45.	Scope of Work, Program Planning	3.2.7.1.2	12	This requirement states that AHCCCS staff will identify and provide information regarding the enhancements required for the drug rebate processing system. In order to accurately scope and cost the level of effort necessary to modify their systems to incorporate all required enhancements, Offerors must have the complete set of system requirements prior to submitting their proposals. As such, please confirm that the system requirements listed in the RFP include the enhancements and that the activity described in RFP section 3.2.7.1.2 will be to clarify and provide additional information related to system requirements identified in the RFP.	AHCCCS Staff will meet with the awarded Offeror to identify any system issues.
46.	Scope of Work, Program Planning	3.2.7.1.2	12	The RFP requires that the Offeror "Customize its system to meet the State of Arizona's processing and reporting requirements. AHCCCS staff will identify and provide information regarding the enhancements required for the drug rebate processing system. These requirements must be in place sixty (60) calendar days prior to implementation." In section 3.2.8.1.16, the RFP requires that the Offeror "Provide a project management plan using a proposed project start date of December 1, 2010". Is the sixty (60) days prior to December 1, 2010? By "in place" does the State mean that the system changes must be functional 60 days prior to December 1, 2010? When does AHCCCS expect to award a contract so the Offeror can begin work? If there is a delay	The awarded Offeror will work with AHCCCS to determine the implementation timeline.  It is expected that the 3Q2010 rebate data submissions be sent to manufacturers/labelers in the 1Q2011.

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				in selecting an Offeror or executing the contract, will the selected vendor be granted additional time to complete implementation of the system and processes?	
47.	Scope of Work, ISD Requirements	3.2.8.1.10	12	The RFP requires that the system is operated in a “fully hosted environment.” Please confirm that the requirement is for the Offeror to host the system in their data center facility.	The awarded Offeror is expected to fully host the administration, collection and dispute resolution in accordance with this RFP and any AHCCCS requirements.
48.	Scope of Work, ISD Requirements	3.2.8.1.22	12	Requirement 3.2.8.1.22 simply states “External Interfaces.” Please confirm that the list of required system interfaces is included in the table in RFP section 3.2.8.2.	Yes, AHCCCS confirms.
49.	Scope of Work, 3.2.8 ISD Requirements	3.2.8.1.2 Convert Healthcare Common Procedure Coding System (HCPCS) codes and units used in claims for physician administered drugs.	12	Is the State currently capturing NDC and NDC units on the HCPCS claims for the FFS and MCOs?	NDCs are not currently captured on medical or institutional claims. Capturing NDCs on 837 claims will be implemented with version 5010.
50.	Scope of Work, 3.2.8. ISD Requirements	3.2.8.1.22	14	Please provide bidders with the specific external interfaces, layouts and data dictionaries required by the rebate application.	AHCCCS’ expectations are that all CMS guidelines will be followed.  For the interfaces between AHCCCS and the awarded Offeror, a detailed discussion will ensue at the initial implementation meeting.
51.	Pricing Schedule		17	Please confirm that payments made to the successful Offeror for services provided under this contract will be the “Monthly Installment Price” included on the Pricing Schedule.	Yes, AHCCCS confirms.
52.	Pricing Schedule		17	May the vendor propose optional but related pharmacy services in their response?	The Offeror may propose additional services that are related to the RFP scope of work.
53.	Pricing Schedule		18, 19	The Pricing Schedule includes an “Annual Cost” and “Monthly Installment Price” for each contract year. Please confirm that the value to be entered for the “Monthly Installment Price” is the “Annual Cost” value divided by the	Yes, AHCCCS confirms.

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				number of months in the corresponding contract year.	
54.	Pricing Schedule		19	Regarding supplemental rebate program support, does the AHCCCS currently have or intend to have a uniform state PDL in place by Jan 1, 2011?	AHCCCS currently does not have a preferred drug list. AHCCCS will not have a PDL in place on 1/1/2011.
55.	Pricing Schedule; Exhibit A – Method of Approach		19, 63	Is the award of the supplemental rebates, Section 3.1.9, and Supplemental Rebate Pricing Sheet optional in the sense that the state may not award this portion of the RFP?	The RFP requests a vendor that can manage, administer, collect and resolve disputes for both federal and supplemental rebates. AHCCCS may choose when and which drugs/drug classes for the implementation of supplemental rebates.
56.	Uniform Instructions to Offerors	7. Confidential Information	26	When should the proposer submit a request for information to be withheld due to confidentiality? When will the Contracting officer make a written determination whether the information shall be withheld? Will the determination be made before proposals are submitted?	Submit the request for confidentiality with the proposal, and mark “confidential” on each page requested to be confidential so that your request can be easily identified. Written determinations on confidentiality requests will be made after the contract award but before files can be viewed by the public.
57.	Special Instructions to Offerors	2. Evaluation Criteria	28	Please explain how the four evaluation criteria listed will be weighted.	Criteria are listed in the relative order of importance, meaning that the maximum point value decreases with each criterion listed. We do not disclose the maximum point values for each criterion until after contract award. At that time, it will be public information.
58.	Special Instructions to Offerors	3. Proposal Information	28	The RFP states that a copy of the entire proposal must be submitted on one CD in Word/Excel format. Can signed forms and financial statements be submitted in PDF format?	PDF format for signed forms and financial statements is acceptable.
59.	Special Instructions to Offerors	2. Evaluation Criteria	28	What are the weights of the criteria listed in relative order of importance?	Criteria are listed in the relative order of importance, meaning that the maximum point values decrease with each criterion listed. We do not disclose the maximum point values for each criterion until after contract award. At that time, it will be

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					public information.
60.	Special Instructions to Offerors	3.2 Experience and Expertise of the Offeror	28-30	Should the numbering in Section 3.2 be changed from 3.1.2 through 3.1.7 to 3.2.2 through 3.2.7?	Yes, this has been revised in Solicitation Amendment #1.
61.	Special Instructions to Offerors, 3. Proposal Information	3.1.2 – 3.1.7	29	There appears to be a numbering discrepancy with sections 3.1.2 – 3.1.7. These appear to be subsections of 3.2 Experience and Expertise to Offer on page 28. Should they be number as 3.2.2 – 3.2.7?	Yes, this has been revised in Solicitation Amendment #1.
62.	Special Instructions to Offerors – Organizational Chart	3.1.3	29	<p>The RFP states that “The Offeror shall provide an organizational chart which clearly shows the reporting and lines of authority to include all proposed key personnel and any proposed subcontractors.” Are the following positions deemed “key”?</p> <p>3.1.3.1 Overall Project Manager  3.1.3.2 Pharmacists  3.1.3.3 Implementation Coordinator  3.1.3.4 Finance / Accounting Manager  3.1.3.5 Reporting / Data Coordinator  3.1.3.6 Customer Service Manager  3.1.3.7 Support Staff  3.1.3.8 Technical Staff</p> <p>If yes, can AHCCCS provide some additional guidance as to what level of support or technical staff would be classified as “key”?</p> <p>If that list does not constitute the “key” staff, does AHCCCS have a defined list of personnel or positions which it deems to be “key” or is that for the Offeror to determine? Can AHCCCS confirm that being designated as a “key” staff member does not require 100% dedication to the AZ rebate project?</p>	<p>Yes, the positions named are the key personnel.</p> <p>The organizational chart should reflect an adequate amount of technical and support staff to support the key personnel positions.</p> <p>AHCCCS confirms that the Offeror is not required to assign “key” personnel 100% to the Arizona rebate project.</p>
63.	Special Instructions to Offerors	4. Additional Information	30	If the vendor has other complimentary rebate features that were not specifically required, should they be included in the response here?	Yes, the Offeror may submit other features or attributes that relate to the scope of work.

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<b>64.</b>	Special Instructions to Offerors	12. Discussions	31	Would AHCCCS consider including the performance of a live demonstration as part of their evaluation?	Yes, if there are “discussions,” a live demonstration may be included. However, award may be made without discussions.
<b>65.</b>	Uniform Terms and Conditions	8. Cancellation for Conflict of Interest	33	Does the State perceive a conflict of interest in having its Medicaid Drug Rebate Operations Program processed by a vendor that is also a PBM, to whom the state may claim a third party/COB liability?	No, AHCCCS recognizes that Offerors have other lines of pharmacy benefit management businesses. The RFP award will be based on the proposal submitted as it relates to the evaluation criteria.
<b>66.</b>	8. Exhibit A – Method of Approach	3.1.3 Rebate Activity Accounting (Scope of Work Section 3.2.3), 3.1.3.2.1	57	Given that the application of the Medicaid Rebate Program to MCO utilization is new, please explain what AHCCCS means by requiring the Offeror to maintain payment history conversions.	For supportive documentation, AHCCCS will provide historical utilization data to minimize the potential for disputes.
<b>67.</b>	Exhibit A; Scope of Work	3.1.2.4; 3.2.7.1.2	57, 12	Several implementation related deliverables outlined in RFP appear to fall outside of the stated implementation time period. Section 3.2.7.1.2 states that requirements must be in place 60 days prior to the implementation. If the Implementation date is 1/1/2011, this deliverable is scheduled prior to the implementation start date of 12/1/2010. In addition, the RAD is required to be completed 30 days prior to invoicing according to section 3.1.2.4. Since invoicing for 4 <sup>th</sup> quarter 2010 will likely occur in February of 2011, the RAD delivery date will occur after the implementation date of January 1, 2011 as described on page 5. Please provide bidders with detailed schedule confirming the anticipated award date, implementation start date, implementation go-live date, along with specific dates for identified project deliverables.	The implementation date is January 1, 2011. The anticipated award date is expected to be 60 days prior to the implementation date.
<b>68.</b>	8. Exhibit A – Method of Approach	3.1.9 Supplemental Rebates, 3.1.9.1	63	Is AHCCCS requiring all Arizona Medicaid MCOs to adopt and enforce a common formulary or Preferred Drug List (PDL)? If so, when will this requirement take effect? If a common formulary or PDL currently	No, AHCCCS is not requiring all MCOs to adopt and enforce a common formulary.

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				exists, please provide an electronic copy of same.	
<b>69.</b>	8. Exhibit A – Method of Approach	3.1.9 Supplemental Rebates, 3.1.9.1	63	If AHCCCS is not requiring all Arizona Medicaid MCOs to adopt and enforce a common formulary or PDL, does AHCCCS expect the Offeror to negotiate supplemental rebates for all Arizona Medicaid MCOs based on the formularies or PDLs each MCO currently has in place? If not, please explain AHCCCS’ expectation of the Offeror regarding this service.	Upon request, the Offeror must be able to negotiate supplemental rebates and/or utilize supplemental rebate contracts negotiated by AHCCCS.
<b>70.</b>	Exhibit E – Offeror’s Financial Disclosure	A. Provide a copy of the most recent annual financial statement	68	Can Offerors present their financial statements on CD versus printed copies?	The CD must be an exact copy of the hard copy submission.
<b>71.</b>	14. Exhibit F – Performance Standards	Create and Provide CMS Form 64.21: Quarterly Utilization Data to CMS	70	Please confirm that AHCCCS considers the creation and providing of the CMS Form 64.21 to be providing quarterly utilization data to CMS.	AHCCCS expects the Offeror to submit the Quarterly Utilization Form in the required CMS format.  The Arizona SCHIP Program members are enrolled under a stand alone Title XXI program. At this time, AHCCCS will not be requiring CMS Form 64.21.  Should CMS require the use of a similar reporting format for Title XXI, the awarded Offeror will be solely responsible for providing it to AHCCCS at no additional cost.
<b>72.</b>	Exhibit G – HIPAA Business Associate Addendum	14. Reporting	78	The Business Associate Addendum requires reporting of an unauthorized disclosure within 24 hours. HIPAA allows up to 60 days. Would AHCCCS consider requiring this report within 7 days?	AHCCCS will not consider extending the timeline to 7-days. The 24-hour timeline for reporting a disclosure is consistent language used within the agency.
<b>73.</b>	General Question			Is the State willing to share pharmacy claim/encounter volume data?	Yes. The awarded Offeror will be provided all necessary data upon request.