Appendix C3. Self-Insured ("Carve-Out") Pharmacy Questionnaire

This questionnaire must be completed if you are quoting self-insured prescription drug services.

To be considered and accepted, your organization must provide answers to the questions presented in this section. Each question must be answered specifically and in detail. Include both the question and the answer in your proposal response. An electronic copy of this questionnaire has been provided to facilitate your response.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Vendors should review all sections of this RFP before responding to any of the questions here, to ensure that you have a complete understanding of the requirements with respect to your organization's proposal.

Vendors may include additional information that you consider relevant or useful to NDPERS. If you elect to provide additional information on services in response to a question please specifically indicate that it is not included in the covered services offered in your proposal. If not indicated those services will be a part of your proposed base fees. However, responses to all of the questions set forth below must be provided.

If this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, any such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal. Vendors are reminded that **any and all deviations must be clearly identified and described in the RFP and the deviations worksheet provided in Appendix F.**

The questionnaire is broken down into the following categories:

Questionnaire:

- Compliance with North Dakota Statutory Requirements
- Vendor Overview
- Clinical Programs and Drug Utilization Review
- Specialty Pharmacy
- Formulary
- Account Management
- Data Analytics and Management Reporting
- Customer Service
- Retail Pharmacy Network
- Mail Service
- Implementation
- Eligibility
- Claims Processing/Adjudication
- Information Technology
- Financial
- Regulatory / Compliance
- Confidentiality
- Lawsuits/Claims
- Related Party Issues
- Discussion of Information Used to Manage Business
- Controls / Compliance
- Risk Management and Insurance Information

PHARMACY BACKGROUND

North Dakota Public Employees Retirement – Strategic Objectives

NDPERS is seeking a Vendor partner that:

- Manages prescription drug cost for members and NDPERS
- Delivers services at competitive prices commensurate with the total covered lives
- Provides exceptional service, from both a member and management experience
- Prioritizes member experience while also making sure they receive the best possible care in terms of both cost and efficacy
- Champions transparency (and other innovations) in contracting, operations and can fully meet the provisions in North Dakota Century Code (N.D.C.C.) 54-52.1-04.16
- Brings innovation to the services provided to members and management
- Seamlessly integrates with NDPERS medical plans, and other partners

Partnership Considerations

NDPERS is interested in exploring the value creation from combining the respective strengths of NDPERS and a best-in-class pharmacy benefits partner. NDPERS' goal is to explore a partner's role in managing the following functions:

- Overall financial and operational transparency
- Specialty drug management and contracting
- Formulary management
- Clinical programs administration
- Customer service (to both members and providers)
- Pharmacy claims processing
- Reporting and data analytics
- Pharmacy network management
- Rebate processing and contracting

This request for proposal (RFP) is intended to provide NDPERS with the necessary information to assess your capabilities and strategic fit. To the extent that you see opportunities to add value that is not explicitly identified in the RFP, please provide additional information.

Compliance with North Dakota Statutory Requirements

3001. Indicate that you will comply with all the requirements of North Dakota Century Code (N.D.C.C.) including chapter 54-52.1.

3002. Indicate if you could comply with the preference criteria in 54-52.1-04.15.

3003. Indicate if your proposal includes:

a. Compliance with 54-52.1-04.16
b. Does not include compliance 54-52.1-04.16
c. Includes both

3004. Indicate any areas of the North Dakota Century Code you cannot meet and why.

Vendor Overview

3005. Please provide the legal name of the company that will be providing the pharmacy benefit management services in this contract.

3006. Please describe your corporate governance structure.

3007. Where is your business headquartered?

3008. How many years have you operated as a pharmacy benefits manager?

3009. How many commercial plan sponsors do you serve?

3010. Do you have an ownership stake in any pharmacies or drug manufacturing channels?

3011. How many government (Federal, State, Local) plan sponsors do you serve?

3012. How many Pharmacy Benefit Manager (PBM) member lives are in your book-of-business?

3013. How many PBM member lives do you serve in North Dakota?

3014. How many total lives are in your book-of-business (e.g. “all lives”, includes other health plans, rebate aggregation, etc.)?

3015. Do you outsource any of your operations or business functions? If so, which functions and through what organization(s)? Please provide a list of all locations/countries where your outsourced functions take place. Specify which services may require a separate Business Associate Agreement (BAA) to be filed.

3016. Vendors responding to this RFP must be able to substantiate their financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the Vendor.

3017. What teaming arrangements, joint marketing arrangements and/or partnerships do you currently have in place with other organizations (heath plans, PBMs, Pharmacies, Others)? Please describe.

3018. What unique and differentiated capabilities can you offer to NDPERS?

3019. Do you have strategic advantages in North Dakota that make you a better choice for NDPERS than other vendors?

3020. How are your strategic initiatives aligned to provide greater transparency in the pharmacy landscape?

3021. Provide the following information on a maximum of three of your largest plan clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred; one must be your largest public sector client and one must be your largest North Dakota-based client. Also provide the following for two former governmental clients similar to NDPERS or larger, if possible.

    a. Name of employer sponsoring plan and location
    b. Type of services provided to plan sponsor
    c. Plan inception date
    d. Length of time as client
    e. Number of contracts and members participating in the plan
    f. Contact information (name, title, phone number, email address)

Clinical Programs and Drug Utilization Review

3022. Please describe your approach to clinical management in the pharmacy benefit.

3023. Please provide a list of your clinical programs with a short description of each, and associated cost for each program. At minimum, please include prior authorization, step therapy, quantity limits, drug utilization review, opioid management, diabetes management, compound management, and specialty drug management programs. If applicable, please include return-on-investment guarantees or measurement metrics for each program.

3024. Based on the plan design currently in place, drug utilization, and demographics, what are three specific recommendations to reduce cost and/or improve the health of NDPERS members (without changing plan design elements like copays)?

3025. Please describe the accreditations you maintain (URAC, JCAHO, NCQA).

3026. Please describe your capabilities of combining pharmacy data with medical data for individual members to coordinate care, case management, and utilization oversight.

3027. Please describe your usage of predictive analytics in aiding your clinical management of NDPERS' population.

3028. Please describe your Pharmacy & Therapeutics Committee (P&T) and the formulary review process.

3029. Please describe your approach or solutions to manage compound medications. Please note if you have a dollar threshold for prior authorization, exclusion strategy, or another approach.

3030. Please discuss how you measure adherence. Do you track medication possession ratio (MPR) and/or proportion of days covered (PDC)? Are there other factors you evaluate for certain therapeutic classes?

3031. Do you align your performance measurement with national quality measures (e.g. HEDIS)?

3032. What tools and programs do you utilize to shift percent of membership toward formulary and preferred/generic drugs? Specify how this works with regards to biosimilars.

3033. What measures are in place to control cost and utilization when GLP-1 drugs are prescribed for diabetes? Which GLP-1 medications are preferred, covered, excluded, or require prior authorization? How is authorization for GLP-1 drugs determined? Does this follow regulatory guidance? Are there quantity limits in place for the GLP-1 drugs? How are patient outcomes measured for those that take GLP-1 drugs?

3034. How do you measure the return on investment on clinical edits on an ongoing basis? What kind of reports and services do you provide to evaluate existing clinical edits and model return on investment for future clinical edits?

3035. Provide a description of your prior authorization process, including type of personnel involved in the process and average turnaround time.

3036. Please describe the process for any step therapy programs that you may offer.

3037. Do clients have access to your system to enter administrative prior authorization overrides?

    a. How does the process work?
    b. Is training provided?
    c. Will your client be able to report on volume of overrides and outcomes determination?

3038. Describe how you calculate return on investment of prior authorizations performed. What reports do you provide to your clients to assess ROI, denial rate, appropriateness of denials?

3039. Describe your quality assurance measures for your prior authorization process. What reports and tools do you provide for clients to assess if state/federal/NCQA quality measures (e.g. timeliness, overturn rates, accreditation) are met?

3040. Explain your process around instances when your prior authorization team cannot immediately contact the provider (i.e., how often do you attempt to contact the provider, what methods do you use to contact the provider, what do you do when you get no response). Include details of timing for each step.

3041. Please describe how members are notified of denials and expiration of prior authorizations.

3042. Describe all programs related to identification and management of potential abuse by members, providers and pharmacies.

3043. Please provide a list of real-time utilization (concurrent) review elements at retail pharmacies and with mail order. How are interventions managed? How are outcomes of interventions documented?

3044. Does your Retrospective Drug Utilization Review (RDUR) Program target physicians and members? How do you notify physicians and members?

3045. Please provide a list of RDUR edits. What is the timeframe for intervention? Is the intervention automated? Fax? Is there a survey collected to assess the usefulness of the intervention? Are responses charted to provide auditable savings results?

3046. Do you work with any electronic medical record (EMR) companies to provide prescription drug information to prescribers?

3047. Are you capable of receiving data and integrating it from an EMR?

3048. Do you have a preferred partner for electronic prior authorization and eligibility/formulary verification?

3049. What percentage of claims in your book-of-business are e-prescribed?

3050. Please provide sample reports that document savings of clinical programs (case management, disease management, utilization review, etc.) that NDPERS will be receiving monthly, quarterly, etc.

Specialty Pharmacy

3051. How many specialty pharmacies do you operate?

3052. Are your specialty pharmacies owned or subcontracted?

3053. Which specialty pharmacy would primarily service the NDPERS account?

3054. Is the proposed specialty network an open network (where members can use any specialty pharmacy) or exclusive network (members may only use Vendor's network)?

3055. Please describe your approach to specialty pharmacy. Please focus on the aspects that differentiate your services in the market.

3056. Are members contacted before each specialty fill? If so, is the outbound call made by a representative or an automated call?

3057. What is the average length of time spent with a member prior to the first fill of their specialty medication?

3058. Do you have pharmacists and technicians that are dedicated to serving members with certain disease states?

3059. Please describe any specialty patient assistance programs that are offered. Describe how you can maximize the value of these programs for the member and the plan.

3060. For any specialty patient assistance programs, describe if your programs are income based and/or rebate compliant.

3061. Please describe your strategy (formulary or more broadly), and how you engage your self-insured clients on coverage decisions related to high-cost therapies (e.g., CAR-T, Zolgensma).

3062. Please describe specialty site-of-care programs or initiatives or partnerships.

3063. Please describe solutions available to address rising costs of prescription drugs and how this affects total cost of care.

3064. Please describe how drug coupon programs and other copay assistance programs work with a member's pharmacy plan. Do these accumulate towards a member's out-of-pocket maximum?

3065. Please confirm that specialty products shipped in error, damaged in shipment, lost in transit, left by courier without confirmation of receipt and rendered unusable by NDPERS due to negligence or error in delivery process will not be the financial responsibility to NDPERS. How are these types of shipment errors reported to NDPERS?

3066. Describe your specialty drug trend forecasting services. For example, how is the specialty drug pipeline monitored and what modeling tools are available to demonstrate the financial impact to the Client?

3067. What percentage of Limited Distribution Drugs commercially available do you have access to?

3068. What is the process for procuring any limited distribution drugs that you currently do not have access to?

3069. Do you have infusion services? Can you arrange for nurses or other assistance on behalf of the member?

3070. Please provide a copy of your proposed specialty drug list including national drug code (NDC), drug name, and formulary tier in excel format. Please include on the specialty drug list, or provide as a separate list, indicators for limited distribution drugs and include a separate indicator if you are an authorized distributor for that product.

Formulary

NDPERS formulary has three coverage tiers. Tier 1 includes formulary generic drugs, Tier 2 includes formulary brand drugs, and Tier 3 includes all non-formulary products. Please provide a quote based on your formulary that best aligns with NDPERS current structure. Include a designation for which drugs are specialty and which are Limited Distribution Drugs (LDD).

3071. Please describe your formulary offerings.

3072. Please indicate which formulary is being proposed for NDPERS, and why.

3073. How frequently is your proposed formulary updated?

3074. Does the proposed formulary require compliance with formulary utilization management controls (prior authorization and/or step therapy and/or quantity limits) or are all formulary and clinical utilization management programs an “add on” after the formulary is selected?

3075. Does your formulary include all generics in the lowest cost tier and all brands in the preferred or non-preferred tiers or does your proposed formulary tier brand and generic products according to different criteria?

3076. Please discuss your position regarding "lowest net cost" as it relates to your formulary strategy and your flexibility in facilitating a “lowest net cost” strategy for clients.

3077. Does your proposed formulary exclude drug products that are high-cost with low clinical value (e.g. combination products where the combined products could be bought separately for a fraction of the cost)?

3078. Do you have controls or procedures to manage drugs that rapidly increase in price? Please describe how you monitor drug price inflation and the options that plan sponsors may have to mitigate this risk.

3079. Will you agree to maintain one comprehensive Maximum Allowable Cost (MAC) list for NDPERS at retail and mail throughout the term of the contract?

3080. Will you agree to utilize the lowest price MAC list compared to any other PBM maintained MAC list for NDPERS?

3081. Please confirm you will provide a copy of the MAC list, including NDC and drug prices upon request.

3082. If desired, could you grandfather existing members for a select period of time (1-3 fills, 1 year, indefinitely)?

3083. Please describe any minimum formulary or plan design requirements for NDPERS to participate in rebate payments.

3084. Please provide a copy of your proposed Formulary including National Drug Code (NDC), drug name, and formulary tier in Excel format.

3085. Complete Appendix E2 – Network Access & Formulary Match

Account Management

3086. Do you propose a designated or dedicated account team for NDPERS?

3087. Provide an organizational chart for the NDPERS account management group and reporting structure to your management team.

3088. Will you agree to let NDPERS switch account team members if NDPERS is dissatisfied with service or fit?

3089. Describe the role of each proposed account team member and include a resume for each. Please include, at minimum, tenure at your company, years of experience, and office location.

3090. Will NDPERS have an executive sponsor? What role with the Executive Sponsor play during the contract term?

3091. What is your account team turnover rate (%)?

3092. What commitments will you make to ensure the consistency of the account team members you have proposed for NDPERS? Will there be performance guarantees in place specific to account management?

3093. Do you regularly survey your clients for their satisfaction with the quality of account management support provided by your firm? Please provide a copy of the assessment tool used and a copy of your most recent customer experience survey results.

3094. Please indicate your 2025 client retention rate.

Data Analytics & Management Reporting

3095. Describe data analytic and reporting capabilities currently available.

3096. Specify any predictive analytics used with your reporting capabilities and describe controls in place.

3097. Is there an extra charge for data analytic services? If so, what are the charges?

3098. What are your market differentiators regarding analytic capabilities and outcomes?

3099. Specify any predictive analytics used with your reporting capabilities and describe controls in place.

3100. Please confirm that you will provide a monthly prescription drug file feed, at no cost, to a NDPERS specified vendor to integrate with medical claims and laboratory data.

3101. If requested, please confirm you will provide complete pharmacy claims data to other authorized third-parties at no cost.

3102. What is your standard reporting process when sending data to stop loss carriers? Is there a standard threshold you use for your large claim reports?

3103. What data types can you currently take-in and integrate for analytic purposes (e.g., Rx claims, lab data, utilization reports, etc.)?

3104. How do you notify/advise clients of new drugs in the pipeline and potential budget impact as well as benefit design implications?

3105. Describe what applications are used to deliver results (e.g., dashboard web-based reporting)

3106. What is your ability to provide web-based reporting? Does the user have the ability to create custom queries, drill-downs, etc.?

3107. Do you provide on-line training for web-based reporting? Please describe.

3108. How do you communicate drug recalls and warning notifications?

3109. What is your ability to provide customized and/or ad-hoc reporting and associated fees, if any?

3110. What is your ability to generate prior authorization (PA) reports that define denied and approved PAs, percentage of total requests approved, turnaround times and costs by product, group, region?

3111. Describe or provide samples of standard reports around cost and utilization for the plan and its customers.

3112. Please confirm that you will support NDPERS with any reporting requirements to support compliance with regulatory requirements. This includes RxDC reporting, housing of machine-readable files, transparency in coverage reporting, etc.

3113. Include sample copies of available reports.

Customer Service

3114. What is the location of your call center(s)?

3115. What call center(s) would be responsible for servicing NDPERS members?

3116. Describe your use of Interactive Voice Response (IVR).

3117. Will you have a dedicated phone number for NDPERS?

3118. Is your pharmacy call center available to members 24/7/365?

3119. Is a pharmacist available to members 24/7/365?

3120. Can a member leave a message at the member service line after hours? If so, what is the protocol for responding to this message?

3121. What is your first call resolution rate in the pharmacy call center?

3122. Do you have the capability to record 100% of the calls?

3123. Does your call monitoring application also provide for monitoring of screen navigation as well as call recording?

3124. Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?

3125. Describe in detail the training and qualifications of your customer service representatives. How will they be trained and educated on NDPERS specifics and new initiatives?

3126. Describe the system used to monitor the average speed of answer and abandonment rates. Describe in detail your time range standards. How often will this information be shared with NDPERS? Provide a sample report.

3127. Describe the level and frequency of customer service reporting you would provide NDPERS.

3128. How do you define/track member complaints and/or grievances?

3129. How do you report the complaints and grievances?

   a. What are your turnaround times? Describe your workflow process.

   b. How are complaints/grievances tracked by reason code?

   c. Do you maintain a complaint log? Describe your complaint resolution process.

3130. Do you have an executive level complaint department? Describe the process from intake to resolution.

3131. Do you track Net Promoter Score (NPS)? If so, please provide the most recent NPS and describe if it applies to specific business segments (e.g. customer service).

3132. Describe your professional services departments for pharmacist inquiries.

   a. Include company hours and days of operation, staffing, and communications.

   b. Where are these departments located?

   c. Are these hours different than the retail pharmacy help desk? If so, what are the hours?

3133. Describe the qualifications and experience of the staff who handle Prior Authorization (PA) requests.

3134. Please describe your member website and member portal.

   a. Can your website provide NDPERS specific plan information?

   b. Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours/day?

   c. Can members see their prescription drug claim history on the website?

   d. Describe the web-enabled pricing comparison tools available to your members. Will the pricing tool account for NDPERS plan design?

   e. Does your web-enabled pricing comparison tool provide pricing detail by pharmacy?

3135. Describe the staff and experience level of individuals who respond to member inquires received via email. What turnaround times and quality rates do you guarantee for email responses?

3136. How would you propose to handle email inquiries regarding pharmacy issues received via NDPERS's website?

3137. Does your mobile app and/or mobile enabled website include the following:

   a. Formulary information

   b. Network pharmacy lookup

   c. Plan design information

   d. Member ID card

   e. Claims history

   f. Family claims history

   g. Drug price lookup by pharmacy

3138. Provide samples of communication material and welcome packets.

3139. Will you support NDPERS with any communication campaigns?

3140. What non-English language customer service staff or programs are available to assist NDPERS members?

3141. How will you assist with notifying members when the formulary status of medication has changed?

3142. Describe the appeal process. Provide materials used for member, physician, and pharmacy notification and provide your workflow process including turnaround times. How do you manage the process differently for states with unique requirements?

3143. Describe how written inquiries are handled.

Retail Pharmacy Network

3144. Please describe your retail pharmacy network strategy and how it is differentiated from other competitors.

3145. List any stake you may have in the retail networks.

3146. List the name of your proposed network and the number of retail pharmacies that participate in North Dakota and nationally.

3147. Based on the member zip data in Exhibit E9, please submit a Geo-Access analysis.

3148. Please describe your credentialing process including the process for removing pharmacies from the network. How often is credentialing/re-credentialing undertaken?

3149. Describe your 90-day retail network (including % of ND pharmacies in-network) and potential cost savings to NDPERS.

3150. Does your retail network contracting recognize some of the unique challenges of largely rural state? If so, how?

Mail Service

3151. How many mail service pharmacies do you operate?

3152. Where are your mail pharmacies located? Which mail service pharmacy would primarily service the NDPERS account?

3153. Are your mail service pharmacies owned or subcontracted?

3154. Do you work with any transparency solutions, for example, CostPlus, to deliver mail-order drugs?

3155. Do you have a program at the mail facility to align and bundle shipments for members with more than one prescription?

3156. How do you assure patient consent to send an order prior to shipping?

3157. Are there any items/medications you do not ship (e.g. controlled substances)?

3158. What company or companies do you have shipping contracts with for the mail service?

3159. Can members track their mail order prescriptions?

3160. Can you deliver mail or specialty medications to the member's location of choice (e.g. home address, office, doctor's office, hospital, pharmacy, neighbor's address)?

3161. How long will you hold a prescription that requires an intervention before returning, filling, or calling members?

3162. Do you retain member credit cards? If so, what security measure(s) do you employ to protect this information?

3163. Is payment required before orders are shipped? If no, what is the maximum outstanding balance owed before you hold orders?

3164. Do you provide Durable Medical Equipment items through the mail pharmacy?

3165. Are you willing to agree that medications shipped in error, damaged in shipment, lost in transit, left by courier without confirmation of receipt when requested, and rendered unusable by NDPERS due to negligence or error in delivery process will not be the financial burden to NDPERS or our patients? How are these types of shipping errors reported to NDPERS?

Implementation

3166. How long is the recommended timeline for a successful implementation? Please provide a proposed implementation plan – include resource requirement, tools, timelines, etc.

3167. Who will comprise your dedicated implementation team and what roles will they serve?

3168. Who has the ultimate responsibility for issues that occur during implementation?

3169. Does the account management team participate in the implementation?

3170. Will you provide any implementation credit to offset the cost of implementation?

3171. Please define in detail your expectations of NDPERS (deliverables, resource access, etc.) to support and facilitate the implementation process.

3172. Please describe your preferred banking arrangement and flexibility to accommodate alternative arrangements.

3173. If you are provided with prior pharmacy claims history, will you load open prior authorizations files, specialty pharmacy claims histories, open mail order refills, and accumulator files? If yes, explain the recommended process to follow and data specifications for transfer of data.

3174. Will you agree to provide 24 months of complete claims data, open prior authorization files, and open mail order refill files to NDPERS upon the termination of the agreement/ contract?

3175. Please describe how you manage the transition process from the incumbent for members on specialty medications to mitigate disruption.

3176. Please describe how prior authorizations and mail order prescriptions not yet delivered would be managed when transitioning pharmacy vendors.

3177. Please describe the formulary and benefit design accuracy testing processes that occur during and after implementation. How are issues found and handled?

3178. If an error occurs in coding of the plan design or clinical edits during implementation, what is your typical turnaround time to resolve the issue?

3179. What type of training will you provide during implementation on your systems and reporting tools? Will the training be provided on-site at NDPERS's location if desired?

3180. What is typically the biggest implementation challenge facing you given the size and scope of our business?

Eligibility

3181. What is your process when a request is received for prescriptions from someone who is not eligible, or shown as terminated from the plan?

3182. Do you have any restrictions on the eligibility file layouts that you can support?

3183. What happens if a record on file is rejected via the load process? What is the process to reconcile a file load? How quickly is the report/reconciliation regarding the file load returned to the Plan?

3184. What system edits and processes do you have in place to ensure that an incorrectly submitted NDPERS file does not have a significant impact on eligibility? Please describe these processes and systemic edits with specific examples of what they prevent.

3185. Will NDPERS be able to make online eligibility changes in real time? Describe the internal and external systems security measures in place. Describe any charges for this access.

3186. If members are added online, how does the eligibility file process against that member if the data is not the same?

3187. How much time is required to produce ID cards after receipt of clean eligibility data?

Claims Processing/Adjudication

3188. Describe your ability to integrate accumulators between medical and prescription drug either on an integrated or "carve-out" basis.

3189. How often can accumulators be exchanged/updated for members that elect the high-deductible health plan?

3190. How are member out-of-pocket accumulators reconciled to validate that the limits are not exceeded?

3191. If errors are identified in pricing or claims processing, how will NDPERS and its members be notified? How quickly will underpayments or overpayments be reconciled?

3192. What is your process for handling disputed claims?

3193. Do you utilize any predictive analytics or automation when handling claims adjudication? Please specify the controls in place.

3194. What is your system hierarchy (client, group, individual)?

3195. Do you measure claim financial accuracy and claim procedural accuracy separately? What are your standards for each?

3196. Please describe your procedures for paying delayed claim interest. Is the process entirely automated? If not, please describe any manual intervention. Also, please describe your procedures for keeping current regarding state delayed claim interest regulations and federal prompt pay legislation.

3197. Direct Member Reimbursements:

   a. How do you handle receipt of a form that is incomplete or not in the required format?

   b. What is your turnaround time for paying manual claims? Define how this is measured.

3198. Can you administer coordination of benefits at the point of sale? If client supplied indicators are required, please describe the requirements.

3199. What quality assurance measures are taken to ensure that the federal and/or state laws for member submitted claim turnaround times are adhered to? What is the frequency of validation that all laws are being adhered to?

3200. Audit services:

   a. What audit functionality exists to ensure that claims are being paid accurately? Include both prospective and retrospective programs that focus on overpayments (inappropriately paid claims), fraud, waste and abuse.

   b. How often do you audit the accuracy of plan pricing and overall adjudication accuracy? Please describe this process.

   c. What is the average drug cost saving achieved as a result of an audit?

   d. NDPERS requires an unrestricted right regarding the selection of an auditor (no Vendor input or sign-off) to perform its audit functions of the Vendor, pharmacy or downstream contractors. Please note any issues or concerns that the Vendor may have with this requirement.

   e. Once claims are archived, what is the retrieval timeframe if needed for an audit?

3201. How long is claims data stored in the system before it is archived?

3202. What is your average turnaround time to access archived claims data? Will you propose any performance guarantees around archived data access? If so, please describe,

3203. Provide samples of your Explanation of Benefits (EOBs) and claims forms.

3204. Provide a copy of your most recent SSAE 18 results.

Information Technology

3205. Describe your privacy protection and data security standards (e.g., HIPAA, PHI). Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met.

3206. Are there any major system enhancements or conversions planned or being considered within the next 24 months? How are regulatory items managed in the release process? For packaged applications, what is the process and duration to upgrade a vendor release to the released version? What is the process used to maintain operating systems? What is the potential impact on NDPERS implementation?

3207. Describe your business continuity and disaster recovery plans for internet, eligibility, claims process, and information management (data warehouse) systems. As part of the response, highlight any adjustments in the plan according to the magnitude and duration of the disaster (e.g., outages of one day, vs. a week, month, etc.).

3208. List the number of times and duration claims processing system experienced unscheduled down-time over the past twelve months. Have customer commitments been missed? Do Service Level Agreements (SLAs) exist and can you provide copies of the SLAs and recent results?

3209. What additional third-party systems does your system interface with (e.g., medical claims processing systems, phone systems, etc.)?

3210. Have you had any security breaches involving electronic protected health information (PHI) or personal financial information? If so, what was the scope of the breach? Were disclosures made to affected individuals? What operations changes, if any, were implemented after the breach? Describe your capabilities to support management of PHI data including your security breach response protocols. Do you have insurance to cover a breach? Describe how you will manage NDPERS' risk exposure as a result of a breach.

3211. Describe your practices for prevention of identity theft and compliance with any applicable legal requirements, including FTC Red Flag Rules, to the extent applicable. Are customers / businesses notified if a breach occurs? What are the internal/external processes for managing a breach?

Financial

NOTE: Submit your pricing proposal separately from that of your technical proposal using Appendix D. Submit your pricing proposal to Deloitte Consulting only.

3212. Based on clients in your book-of-business that have had your proposed formulary in place, please provide the average drug trend in 2023, 2024, and 2025 gross and net of rebates?

3213. Please describe your ability to implement pricing terms based on National Average Drug Acquisition Cost (NADAC) or other alternatives to Average Wholesale Price (AWP). Please describe how other pricing benchmarks could be implemented by NDPERS.

3214. How will newly introduced specialty drugs be included in the specialty drug discount guarantee? Will new specialty products automatically default to a minimum discount in the therapeutic class?

3215. Based on your book-of-business, what percentage of prescriptions adjudicate at Usual and Customary (U&C) price?

3216. Based on your book-of-business, what percentage of generic prescriptions adjudicate at MAC price?

3217. How often are MAC prices updated?

3218. Once a generic comes to market, how long does it take to add it to the MAC price list?

3219. Please describe if you own or participate in a Group Purchasing Organization (GPO) for rebates.

3220. Please describe your typical manufacturer revenue payment schedule (e.g. 90 days after the end of the quarter).

3221. How are rebates paid? Are rebates paid by crediting NDPERS account or is payment issued by check?

3222. Please describe your manufacturer revenue reconciliation process and timing against manufacturer contracts to confirm accurate payment to NDPERS.

3223. Under a pass-through contract, will you agree to a full pass-through for all manufacturer revenue derived by NDPERS specific utilization, with full audit rights to manufacturer contracts, rebate payments, and administrative fees?

3224. Please list any fees or payments that are paid to, or retained by, the rebate aggregator or GPO as compensation for collecting and remitting rebates.

3225. Under a pass-through contract, will you agree to quarterly reports that indicate the dollar volume of manufacturer revenue (rebates) collected at the NDC level?

3226. How often are rebate contracts renegotiated?

3227. Do you have any inflation protection contracts in place today? If so, under a pass-through contract, do you agree to include any revenue resulting from inflation protection contracts back to NDPERS?

3228. Do you have any value-based rebate contracts in place today? If so, what mechanisms are in place to govern value-based payments?

3229. In a pass-through contract, please confirm that manufacturer revenue collected as a result of utilization from biosimilars or limited distribution drugs will be paid to NDPERS.

3230. Please confirm if you are willing to act as a fiduciary in the administration of this prescription drug plan.

3231. Please confirm your proposal is based on the plan design included with this RFP and the proposal parameters.

3232. Please confirm your proposal does not require any plan design changes to qualify for the terms in your offer (e.g., specific differential between preferred and non-preferred brands to qualify for rebates, etc.)

3233. Please confirm you will use Medi-Span as the sole source of Average Wholesale Price (AWP) (excepting a change in the industry that would require a change).

3234. Please confirm that AWP will be defined as Medi-Span's unit price for the 11-digit national drug code (NDC) of the product dispensed on the date-of-service for the quantity dispensed.

3235. Please confirm "Generic Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "Y" indicator).

3236. Please confirm "Brand Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "M", "N", or "O" indicator).

3237. Please confirm Usual and customary (U&C) will be defined as: the retail price at a retail pharmacy on the date the drug is dispensed based on the NDC-11 dispensed.

3238. Please confirm that once a drug product is defined as "Generic" or "Brand" at adjudication, it will remain classified as such for purposes of all financial measurements including AWP discounts, manufacturer revenue reporting and payment, management reporting and guarantee reconciliation.

3239. Please confirm that manufacturer derived revenue will be defined as all revenue received from pharmaceutical manufacturers, whether from the manufacturer directly, rebate aggregator, or other third party and will include all monies received as a result of the formulary utilization which includes but is not limited to rebates, manufacturer administration fees, inflation or price protection payments, and pro rata share of monies received for services provided to manufacturers that depends on the inclusion of NDPERS's claim utilization or data.

3240. Please confirm 100% of revenue earned from manufacturers will be passed through to NDPERS, which includes but is not limited to rebates, manufacturer administration fees, inflation or price

protection payments, and pro rata share of monies received for services provided to manufacturers that depends on the inclusion of NDPERS' claim utilization or data.

3241. Please confirm member cost share will always be the lowest of the U&C, MAC, AWP discount, or member cost share.

3242. Please confirm that OTC exclusions (to the extent applicable) are not applicable to insulin or diabetic supplies (such as test strips).

3243. Please confirm that any coupons used by members will be excluded from ingredient cost calculation. How will you handle programs like GoodRx when determining cost accumulation to plan benefits?

3244. Please confirm guarantees will include "Zero Balance Due" (100% member paid) claims at the ingredient cost prior to application of the member cost share and shall not be counted as AWP-100%.

3245. Please confirm that guarantees will exclude all claims that adjudicate at U&C.

3246. Please confirm there is no dispensing fee assessed for U&C claims.

3247. Please confirm that discount guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel.

3248. Please confirm that rebate guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel.

3249. Please confirm your proposal includes both a specialty drug list drug-by-drug discounts and an overall effective specialty discount guarantee.

3250. Please confirm that no Dispense as Written (DAW) penalties will be included in discount reconciliation.

3251. Please confirm that your manufacturer derived revenue guarantees account for known patent expirations and the proposed guarantees will not be modified on the basis of patent expirations that can be reasonably known at the time of this proposal.

3252. Please confirm there are no minimum "claim floors" or amount due (at retail, mail, or specialty).

3253. Please confirm that postage increases will not be passed on to NDPERS.

3254. Please describe any requirements, terms, exclusions, or other caveats related to your manufacturer revenue guarantee.

3255. Please confirm manufacturer revenue will not include any funds collected through patient assistance programs.

3256. Please confirm generic discount guarantees are inclusive of MAC and Non-MAC discounts.

3257. Please confirm that New to Market drugs and/or Exclusive or Limited Distribution Drugs will be included in the specialty drug list with a specific discount guarantee within 30 days of becoming a covered product on the formulary and will not be excluded from pricing guarantees or restricted to a default discount for the duration of the contract.

3258. Please confirm that dispensing fees are assessed on paid claims only and not reversed or rejected claims.

3259. Please confirm that if changes are made to the safe harbor provision governing rebates, or if it is eliminated, or if other regulatory changes are implemented that impact the payment of manufacturer revenue to the plan sponsor, the contract resulting from this RFP may be re-opened.

3260. Please confirm the proposed discounts, dispensing fees, and manufacturer revenue are guaranteed by distinct components within the retail, mail, and specialty distribution channels such

that a guarantee surplus in one guarantee component is not offset by a shortfall in another guarantee component.

3261. Please confirm that any shortfall determined during guarantee reconciliation will be paid to NDPERS on a dollar-for-dollar basis with no maximum limit of liability.

3262. Please confirm that pricing guarantee reconciliation will take place within 90 days of the close of the contract year (including discounts, dispensing fees, admin fees (as applicable)), as well as a preliminary analysis of manufacturer revenue paid compared to guarantees with a full reconciliation of manufacturer revenue after all manufacturer revenue has been collected and remitted from the manufacturers (no later than 270 days after the end of the contract year)).

3263. Please provide a copy of your audit language.

Regulatory and Compliance

3264. Do you have any disputes currently outstanding (or threatened) with any state or federal regulators related to any portion of your business? If so, what is the nature of these disputes?

3265. What is the relationship between you and state regulatory agencies including, but not limited to, state departments of insurance and health? What measures, if any, are being taken to maintain/ improve your regulatory relations?

3266. Confirm you are fully licensed or registered as a PBM, utilization review company or third party administrator in North Dakota. Please provide a copy of the procedures you used to assure compliance with Federal and North Dakota State regulatory, government contracting and quasi-regulatory (e.g., NCQA, URAC) requirements, including, but not limited to, pharmacy auditing, contracting and credentialing.

3267. Provide a summary of any state department of insurance, state attorney general, state pharmacy board, U.S. Department of Labor and other state or Federal regulatory agency complaints filed against you, as well as information on complaints, grievances and appeals resulting from PBM operations in the previous five years. Indicate what provider, member, plan sponsor or regulatory issue is involved, as well as, upheld/ overturned status and general nature of complaint or investigation. If the matter resulted in a corrective action plan (“CAP”), please provide a copy of the CAP.

3268. Have you been investigated or audited, directly or indirectly through an investigation or audit of a client/customer, by any state or Federal agency or other regulatory body (e.g., DOI, DOH, CMS, DOL, DEA, State Pharmacy Board, etc.) in the past three years? What were the findings and what steps are (were) being taken to address any deficiencies? Are you currently subject to or threatened with any state or Federal investigation or regulatory audit? Please provide copies of regulatory audit reports and your responses, if applicable.

3269. Have you been subjected to any fines or penalties, or been excluded/barred from any activities or programs as a result of regulatory or judicial action, within the past three years? If so, what was the nature of the underlying issue(s), and what was the penalty? What steps are being (were) taken to prevent recurrences? Any pending or threatened proceedings that could result in such penalties?

3270. How are you supporting IRS B-Notice requirements? Do you have the ability to perform back-up withholdings on flagged providers?

3271. Is the process you use for late claim interest/penalties automated or manual? Please explain.

3272. Please provide a copy of your Compliance Plan including fraud, waste and abuse program (to the extent not provided in response to previous sections of the RFP). Have you had adverse findings in a Market Conduct exam within the last three years? If so, please provide details.

3273. Please provide a copy of your most recent SOC2 report.

3274. Confirm all services, deliverables, Apps software, and Web pages shall include all functionality necessary to materially comply with: (i) the Web Content Accessibility Guidelines (WCAG) 2.1,

Level A and AA Success Criteria at a minimum; and (ii) all relevant [Accessibility Laws], as defined below. For purposes of this section (Web Site Accessibility)," Accessibility Laws" means the Americans with Disabilities Act and any applicable laws. .

3275. Please provide a copy of your Accessibility Conformance Report (ACR) and the Voluntary Product Accessibility Template (VPAT).

3276. Describe any significant failures over the past three years in your compliance program effectiveness, including regulatory violations, affecting PBM-related operations.

3277. Please provide the following:

a. Organizational and reporting charts for compliance operations (to the extent not provided in response to prior section of this RFP);

b. A review of compliance training requirements for employees and sub-contractors Compliance monitoring and oversight policies and procedures;

c. Description of internal investigations and any self-disclosures.

Confidentiality

3278. Please provide a status report on your HIPAA and other privacy law compliance efforts. How are HIPAA and privacy compliance incorporated into your overall compliance activities?

3279. How frequently do you conduct audits for HIPAA compliance? Are you willing to share the results of those audits with us? Would you be willing to audit at a frequency required by NDPERS?

3280. Indicate your practice with respect to sharing members' medical and prescription information with providers, plan sponsors, pharmaceutical manufacturers or other commercial entities such as data aggregators.

3281. Identify your designated Privacy & Security Officers and describe their qualifications.

3282. Please confirm you will comply with N.D.C.C. 54-52.1-11 & 54-52.1-12.

Lawsuits/Claims

3283. What is the nature and extent (number of cases, potential financial or other exposure) of current litigation outstanding, or to the knowledge of management threatened, against you?

3284. Does any of this litigation involve: (i) multiple plaintiffs or a class of plaintiffs; (ii) any allegation of (A) criminal wrongdoing (including any Racketeer Influenced and Corrupt Organizations (RICO) claim), (B) violation of securities, antitrust or environmental statutes; (C) direct or vicarious malpractice on your part or you employees; or (D) any action or matter excluded from coverage under your insurance policies; or (iii) claims for (A) punitive or exemplary damages, or (B) compensatory damages in excess of $500,000? If so, what are the details of the suit?

3285. Are any claims pending, or to your knowledge threatened, against you or your officers or directors before any regulatory body or agency in connection? What is the nature and status of the claim(s)?

3286. Are you a party to any pending arbitration or mediation proceeding? If so, what is the nature and status?

Related Party Issues

3287. Describe any equity, financial or other interests you hold in vendors, suppliers, consultants, and other business with which you have a commercial relationship related to your pharmacy or PBM operations.

Discussion of Information Used to Manage Business

3288. Describe the capabilities of your financial reporting systems.

3289. Describe what information is available and how timely the information becomes available with regard to revenues, medical costs, and overhead.

3290. Describe how your profitability is tracked by product segment, by market and by customer.

3291. Describe how often financial closings are performed and how long it takes to get final results.

Controls/Compliance

3292. Describe your internal accounting controls and how the internal controls are monitored.

3293. Describe the structure of your Internal Audit function.

3294. Indicate whether internal/external audits have revealed any significant internal control deficiencies or weaknesses or other issues in the past three years.

3295. Indicate what your compliance policies are and indicate whether there have been significant failures over the past three years, including regulatory violations, affecting the health operations.

Risk Management and Insurance Information

3296. Confirm proposal meets all regulatory requirements.

3297. Confirm proposal meets N.D.C.C. 26.1-36.6-03: 26.1-36.6-03. Self-insurance health plans - Requirements.

    a. The following policy provisions apply to a self-insurance health plan or to the administrative services only or third-party administrator, and are subject to the jurisdiction of the commissioner: 26.1-36-03, 26.1-36-03.1, 26.1-36-05, 26.1-36-10, 26.1-36-12, 26.1-36-12.4, 26.1-36-12.6, 26.1-36-13, 26.1-36-14, 26.1-36-17, 26.1-36-18, 26.1-36-19, 26.1-36-23, 26.1-36-29, 26.1-36-37.1, 26.1-36-38, 26.1-36-39, 26.1-36-41, 26.1-36-44, and 26.1-36-46.