

# City of Murfreesboro



---

## **Request for Competitive Sealed Proposals (RFCSP)**

**for**

**Health Benefits Program and Associated Services**

**ISSUE DATE:**

**FEBRUARY 25, 2014**

**RESPONSE DUE DATE:**

**MARCH 18, 2014**

---

---

## **1. Introduction**

The City of Murfreesboro, Tennessee is issuing a Request for Competitive Sealed Proposals (RFCSP) from qualified Respondents for all of the following services in order to establish a self-funded health and pharmacy plan for its employees and their dependents, and its retirees, effective January 1, 2015:

- A. Administrative Services Only (ASO) services;
- B. Competitive provider networks (Medical Provider Network for the Preferred Provider Organization (PPO) Network and Pharmacy Network);
- C. Pharmacy Benefit Manager (PBM) services; and
- D. Health Reimbursement Arrangement (HRA).

Alternatively, the City may select a stand-alone Pharmacy Benefit Manager.

A separate Invitation to Bid will be issued for stop loss insurance to be effective July 1, 2014 and coordinated with this RFCSP.

The City of Murfreesboro health and pharmacy benefits are self-funded. Healthscope is the current provider of medical administration services and Envision is the current PBM. Each provider has been working with the City since July 1, 2011. At this time, approximately 989 active employees and their dependents and 63 pre-65 early retirees and their dependents are receiving benefits under the City's plan. The City's Employer Sponsored Retiree Health Plan which covers 122 post-65 retirees and their dependents, is also part of the City's plan.

## **2. Competitive Sealed Proposal Process and Schedule**

The Competitive-Sealed-Proposal method is appropriate when qualifications and experience are of particular importance and price is one of several factors used to determine the best service provider. This method requires each participant to submit a proposal based on certain specified elements with knowledge of the factors used to evaluate the proposal and their relative weight. Those interested in participating in the selection process are afforded the opportunity to pose questions in writing about the RFCSP and services sought before submitting a proposal. After the sealed proposals have been submitted and reviewed, the City may obtain additional information or clarifications, including additional "best and final offers" from participants, prior to making its final selection, provided that information from one Respondent is not disclosed to another. The City will select a responsible and responsive Respondent whose proposal is determined to be most advantageous to the City taking into consideration the evaluation factors.

### **2.1 Schedule**

The City intends to adhere to the schedule below for the selection process. Dates may be adjusted by City as needed.

A Letter of Intent to Propose should be emailed to Jay Brown (see contact information in Section 3) no later than **February 28, 2014**. Respondents may withdraw their Letters of Intent to Propose at any time before the deadline for submittal of proposals. Submittal of a Letter of Intent to Propose is not a prerequisite for submitting a proposal, but it is necessary to ensure a Respondent's receipt of RFCSP amendments and other communications regarding the RFCSP.

Specific questions concerning the RFCSP should be emailed to Jay Brown (see contact information in Section 3) by **March 1, 2014**. No questions should be submitted directly to the City.

The City will prepare responses to questions received by **March 1, 2014**. The responses will be posted on the City’s website by **March 10, 2014**. Written responses are being provided to ensure accurate, consistent responses to all Respondents.

Following the receipt of a Respondent’s Letter of Intent to Propose, Jay Brown at Cowan Benefit Services will provide the Respondent with the following: full claim file (which has been de-identified), census file, file with claims and lives, file with large claims, the City’s current plan document, medical provider disruption file, and pharmacy network disruption file.

The City will accept proposals from respondents until **March 18, 2014 at 3:00 P.M. local time**. Proposals received after that time will not be considered. The City anticipates implementation of the providers and its programs no later than **July 1, 2014 for a January 1, 2015 Effective Date**.

Final contracts are expected to be presented to City Council on **May 8, 2014**.

<b>Activity</b>	<b>Target Date</b>
RFCSP Issued	February 25, 2014
Letter of Intent to Propose	February 28, 2014
Submittal of questions	March 4, 2014
Answers to questions	March 10, 2014
Proposals submitted	March 18, 2014
Finalists notified	April 8, 2014
Finalist Presentations	April 14 – April 16, 2014
Last Offer	April 18, 2014
Selection	April 22, 2014
Negotiation of contract	April 24 – May 5, 2014
City Council action	May 8, 2014

**2.2 Evaluation Criteria**

Each proposal will be evaluated based on the criteria listed in Section 8.

**2.3 Finalist Selection**

The City intends to select two or more Respondents from the RFCSP responses to further evaluate as finalists through on-site presentations. Finalists then will be allowed to submit revisions to their proposal to make a last and best final offer. Additional discovery may be performed to assist in selecting the finalist.

The finalist(s) will be selected based on all of the evaluation criteria so that the City obtains the best ASO provider, provider network, PBM and HRA administration for an appropriate fee.

### **3. Contact Information**

Please submit/forward all questions and matters relating to this RFCSP to Jay Brown, Cowan Benefit Services, Inc. He may be reached at (615) 468-3282 or by email at: [jbrown@cowanbenefit.com](mailto:jbrown@cowanbenefit.com) or by mail at Cowan Benefit Services, 113 Seaboard Lane, C170, Franklin, TN 37067.

Any changes to this RFCSP or its Schedule will be posted on the City's website.

### **4. Background**

The City of Murfreesboro, Tennessee is a municipality that currently employs 989 active employees, The City also has 63 pre-65 retirees and 122 post-65 retirees. The City departments include but are not limited to: Police, Fire, Water and Sewer, Street, Solid Waste, Parks and Recreation, Engineering, Planning, Human Resources, Finance and Administration.

### **5. Services Requested/Specifications**

The City feels it is prudent to request proposals at this time in order to ensure that it receives the best price and service for its employees, and is able to control the cost of its medical and pharmacy benefits. The Respondent's ability to demonstrate help with managing health care costs will be considered. The City is also interested in obtaining exceptional customer service.

The City will contract directly with organizations capable of performing the requirements of this RFCSP. Respondents must be represented directly. Participation by brokers or commissioned agents will not be allowed during the proposal process or during the term of the proposed contract. Respondents may submit a proposal for all services or only for the ASO, Medical Provider Network for a PPO and HRA Administration, or one only for the PBM Services and Pharmacy Network.

For purposes of this evaluation, a PPO is considered to be a comprehensive provider network of hospitals, ambulatory care facilities, primary care and specialist physicians under contract and that have met credentialing criteria by a managed care organization to provide services for member usage at a set and established fee schedule.

For the purposes of this evaluation, a PBM is considered to be a pharmacy benefits manager responsible for providing pharmacy claims adjudication, rebate administration and operating and maintaining a comprehensive network of retail pharmacies, specialty network and mail order pharmacy program for member usage.

All services requested will be evaluated on a points system. The maximum number of points allotted to each service related to the ASO, Medical Provider Network, and HRA Administration are listed in Section 8.1. There are **100** total points possible for Section 8.1. The maximum number of points allotted to each service related to the PBM and Pharmacy Network is listed in Section 8.2. There are **100** total points possible for Section 8.2.

### **6. City Terms and Conditions**

It is important for each Respondent to become familiar with each paragraph within this section, as these paragraphs will prevail in the event of any discrepancies or differences between project related or contractual documents.

The Respondent must clearly and specifically detail all exceptions to the Terms and Conditions imposed in this section in the transmittal letter that will accompany its RFCSP response.

### **6.1 Standards**

Respondent must affirm that under its employment policies, standards and practices, it does not subscribe to any personnel policy which permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to the individual's race, creed, color, national origin, age or sex and that it is not in violation of and will not violate any applicable laws concerning the employment of individuals with disabilities.

It is the policy of the City not to discriminate on the basis of age, race, sex, color, national origin, or disability in its hiring and employment practices, or in admission to, access to, or operation of its programs, services, and activities. With regard to all aspects of this contract, Respondent will be required to certify and warrant that it will comply with this policy.

Respondent understands that it shall be a breach of City's ethical standards policies for any person to offer, give, or agree to give to any City employee or former employee, or for any City employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, evaluation, recommendation, preparation of any part of a requirement or request, influencing the content this RFCSP, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to this RFCSP or any contract or subcontract resulting therefrom.

A breach of these ethical standards may result in civil and/or criminal sanctions and/or debarment or suspension from being a contractor or subcontractor for any City contract.

### **6.2 Warranties**

Respondent warrants it will perform the services in a professional manner according to the standards established in the industry for the type of work to be performed.

### **6.3 Indemnification**

The Respondent shall indemnify the City and hold it harmless against all claims, liability, demands, liens, taxes, loss or damages of any character suffered by the City arising from any operations, acts or omissions of Respondent related to the work. Respondent's indemnification shall also encompass any and all financial damages to City resulting from the activities and responsibilities of the Respondent, Respondent's employees, and subcontractors.

### **6.4 Terms for Payment**

Payment for services delivered will be thirty (30) days from the date of the invoice.

### **6.5 Assignment**

The successful Respondent shall not assign, transfer, convey, sublet or otherwise dispose of any contract award or any or all if its rights, title or interest therein, without prior written consent of the City. Such consent by the City shall not relieve the assignor of liability in the event of default by the assignee.

## **6.6 Insurance**

The successful Respondent shall maintain at least the following commercial insurance policies for the duration of the Contract in the amounts specified:

- Professional liability (errors and omissions) insurance affording professional liability insurance – To a limit of \$1,000,000 each claim, and \$2,000,000 aggregate.
- Technology Errors and Omissions insurance - to include data breach and loss of personally identifiable information – To a limit of \$1,000,000 each claim, and \$2,000,000 aggregate.

The selected Respondent must provide City with the required insurance certificates and endorsements prior to contract execution.

## **6.7 RESERVED**

This section is currently not applicable, and is reserved for future use.

## **6.8 Governing Law and Venue**

The contract will be governed by the laws of the State of Tennessee. Venue for any action shall be in the applicable court for Rutherford County, Tennessee.

## **6.9 Compliance With Laws**

The Respondent's contract shall comply with applicable Federal, State, and Local statutes, rules, and regulations. Respondent s shall be approved by the appropriate regulatory authorities, if any, in the State of Tennessee to provide the services herein described.

Respondent must disclose any and all lawsuits within the past three years, whether anticipated, pending or concluded, to which Respondent has been a party arising from the services which are the subject of this RFCSP. Include court name, location, and case number of pending and disposed lawsuits. For disposed lawsuits, describe the outcome of the litigation. Respondent must also disclose any court orders issued by a court of competent jurisdiction against Respondent, as well as any settlements or agreements entered into as a result of litigation. Amount of any confidential settlement need not be disclosed but the fact of any such settlement must be disclosed.

Respondent must disclose any other names or former names under which it has operated.

## **7. Guidelines for this Request for Competitive Sealed Proposals Process**

### **7.1 Basis for Proposals**

Only information supplied by the City in writing should be used in the preparation of a proposal. Oral and other interpretations or clarifications shall not be binding. Respondent s must acknowledge any subsequently issued addenda by signing and including such documents in the proposal.

### **7.2 Respondent Terms and Conditions**

The Respondent must submit a complete set of any additional terms and conditions that it proposes to have included in contract negotiations with the City with its proposal. City will not accept any contract term limiting Respondent's liability to the amount of the

contract. Additionally, the Respondent must submit any and all documents/agreements City must sign with its proposal.

### **7.3 Disclosure of Proposals**

As a matter of state law, each Respondent's RFCSP response in its entirety will become a public record after completion of the selection process. The content of any proposal will not be disclosed to other Respondents during the selection process.

### **7.4 Late Proposals**

Proposals must be received at the specified location on or before the published proposal due date and time. Any proposal received after the time and date set for receipt of proposals will be late and, at the discretion of City, may not be considered.

### **7.5 Signing of Proposals**

The submission and signature of a proposal shall indicate the intention of the Respondent to adhere to the provisions described in this RFCSP and, it therefore must be signed by a representative with the authority to do so.

### **7.6 Cost of Proposal**

This RFCSP does not commit the City to pay any costs incurred by any Respondent in preparation and/or submission of a proposal or for procuring or contracting for the items to be furnished under the RFCSP. All costs directly or indirectly related to responding to this RFCSP (including all costs incurred in supplementary documentation or on-site interviews) until contract execution will be borne by the Respondent.

### **7.7 Conflict of Interest, Non-Collusion and Anti-Lobbying**

The Respondent promises that its officers, employees or agents will not attempt to lobby or influence a vote or recommendation related to the firm's proposal, directly or indirectly, through any contact with City Council members or City employees between the release of this RFCSP and award of contract by City and that there will be no collusion and no conflict of interest.

### **7.8 Ownership of Proposals**

All documents submitted in response to this RFCSP shall become the property of City.

### **7.9 Disqualification or Rejection of Proposals**

Respondents may be disqualified for any of the following reasons:

- There is reason to believe that collusion exists between or among two or more Respondents;
- The Respondent is in arrears on an existing City contract or has defaulted on a previous City contract;
- The Respondent lacks financial stability;
- The Respondent has failed to perform under a previous or current City contract;
- The Respondent has failed to adhere to one or more of the provisions established in this RFCSP;
- The Respondent has failed to submit its proposal in the format specified herein;
- The Respondent has failed to submit its proposal on or before the deadline established herein; or

- The Respondent has failed to adhere to generally accepted ethical and professional principles during the proposal process.

#### **7.10 Right to Waive Irregularities**

Proposals shall be considered irregular if they show any omissions, alterations of form, additions, conditions not called for, or irregularities of any kind.

The City reserves the right to waive irregularities. The City also reserves the right to waive any mandatory requirement provided that all proposals failed to meet the same mandatory requirement, and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of City.

#### **7.11 Withdrawal of Proposals**

Proposals may be withdrawn by written notice if received by the City prior to the exact hour and date specified for receipt of proposals. A proposal also may be withdrawn in person and the Respondent signs a receipt for the proposal, but only if the withdrawal is made by a person clearly authorized to do so prior to the exact hour and date set for the receipt of proposals.

#### **7.12 Amendment of Proposals**

A Respondent must submit any amended proposal before the deadline for receipt of proposals. Such amended proposal must be a complete replacement of a previously submitted response and must be clearly identified as such in the transmittal letter. City will not merge, collate, or assemble proposal materials.

#### **7.13 Proposal as Firm Offer**

Responses to this RFCSP, including cost, will be considered firm for one hundred and twenty (120) days after the due date for receipt of response or receipt of the last best and final offer submitted. All proposals must include a statement to that effect.

#### **7.14 Exceptions to RFCSP Specifications**

Although the specifications stated in the RFCSP represent City's anticipated needs, there may be instances where it is in City's interest to permit exceptions to specifications and accept alternatives.

It is extremely important that the Respondent make very clear where exceptions are taken to the specifications and how the Respondent will provide alternatives. Therefore, exceptions, conditions, or qualifications to the provisions of City's specifications must be clearly identified as such together with reasons for taking exception, and inserted into the proposal response. If the Respondent does not make clear that an exception is being taken, City will assume the proposal response is responding to and will meet the specification as written.

Where the Respondent does not agree with City's terms and conditions, the proposal must enumerate the specific clauses that the Respondent wishes to amend or delete and suggest alternative wording. Any minimum terms that City will have to agree to in order to enter into a contract with the Respondent and any item the Respondent considers to be a mandatory term must be submitted with the RFCSP response.

#### **7.15 Consideration of Proposals**

Discussions may be conducted with responsible Respondents for the purpose of clarification to assure full understanding of the proposal. In conducting discussions, there will be no disclosure of any information derived from proposals submitted by competing

Respondents. Until the City awards the contract, it reserves the right to reject any or all proposals and waive technicalities, to re-advertise for new proposals, or to proceed with the work in any manner as may be considered in the best interest of City.

#### **7.16 Termination**

The City reserves the right to cancel this RFCSP at any time. City reserves the right to reject any or all proposals submitted in response to this RFCSP.

#### **7.17 Taxes**

Respondent will be responsible for the payment of any applicable tax on the services it will provide. At the time of this RFCSP, neither the State of Tennessee nor the City imposes a sales tax on services of this type. Respondents will include in its fee proposal all applicable local, City, state, and federal taxes.

#### **7.18 Award of Contract**

The City reserves the right to withhold final action on the RFCSP for a reasonable time, not to exceed one hundred and twenty (120) days after the date of submitting proposals, and in no event will an award be made until further investigations have been made as to the responsibility of the proposed Respondent. The award of the contract, if an award is made, will be to the most responsible and responsive Respondent whose proposal meets the requirements and criteria set forth in the Request for Competitive Sealed Proposal and whose contract terms are acceptable to City. City reserves the right to abandon, without obligation to the Respondent, any part of the project, or the entire project, at any time before the successful Respondent begins any work authorized by City.

The award of the contract shall not become effective until the contract has been executed by the successful Respondent and City.

#### **7.19 Appeal Process**

Each Respondent shall be notified of the Respondent selected for recommendation to the City Council before the proposed City Council action. A protest by an aggrieved Respondent who is not selected will be heard by the City Council if filed with the City Council, through the City Recorder, within seven (7) days after the intended award is announced. Any issue raised by the protesting party after the seven day period shall not be considered as part of the protest. The City Council may stay an award due to a pending protest without financial or other obligation to the Respondent recommended to the Council. The City Council may, by resolution, adopt rules and procedures applicable to protests.

#### **7.20 Execution of Contract**

The City shall authorize award of the contract to the successful Respondent. City will require the successful Respondent to sign the necessary documents entering into the required contract with City within 10 days of receipt and to provide the necessary evidence of insurance as required under the contract.

No contract for this project may be signed by City without the authorization of the City Council. No contract shall be binding on City until it has been approved and executed by the Mayor or designee and approved as to form by the City Attorney.

### **8. Criteria Used To Evaluate Proposals**

**8.1 Complete Section 8.1 ONLY if you are proposing on the ASO, Medical Provider Network and HRA Administration ONLY. ALSO, if you intend to**

propose on the PBM Services and Pharmacy Network, you must ALSO complete Section 8.2.

**A. Financial Proposal (Point Value: 30 Points)**

The City wishes to receive a three year contract with the option to extend up to two additional one year periods. Respondents must complete the following table with proposed pricing.

<b>PEPM Fees:</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Base Claims Administration	\$	\$	\$
PPO Access Fee	\$	\$	\$
HRA Administration	\$	\$	\$
HRA Limited Participants (Medicare) Fee	\$	\$	\$
HIPAA Administration	\$	\$	\$
Utilization Review/ Medical Management	\$	\$	\$
Disease Management	\$	\$	\$
Rx Interface Fee	\$	\$	\$
Other Fee: (Describe)	\$	\$	\$
<b>TOTAL Monthly Fees PEPM</b>	\$	\$	\$
<b>Other Fees:</b>			
Setup (One time) Fee	\$	\$	\$
COBRA Administration	\$	\$	\$
Run In/ Run Out	\$	\$	\$
RDS Services	\$	\$	\$
Predictive Modeling Fee	\$	\$	\$
Medicare Part D Notices & Testing	\$	\$	\$
Other Fee: (Describe)	\$	\$	\$
Other Fee: (Describe)	\$	\$	\$

- All rates should be provided as a PEPM (per employee per month) charge unless otherwise indicated.
- If Not Offered, put "Not Offered", if included under base administration, put "Included". If N/A, put "N/A" do not leave blank!

Discounts arrangements with the providers and facilities will be part of the financial consideration. ASO respondents should also specify average discounts in the proposed network for these specific facilities on both an inpatient and outpatient basis, and should also provide average provider discounts for the proposed network for providers in all the 371 three digit zip codes.

**B. Plan Design (Point Value: 10 Points)**

The City may make plan design changes during the contract period. A complete plan document re-write must be completed by the successful respondent and any costs associated with preparation of this document must be included in the fees quoted.

Also, the chosen ASO must demonstrate the ability to administer ERISA-exempt plans compliant with the regulations of Tennessee because of this exemption. Please describe your ability to assist the City in these and other compliance issues, including those relating to federal health care reform legislation and associated regulations.

**C. PPO Network Disruption (Point Value: 10 Points)**

The City currently utilizes the CIGNA/Great West Network. Respondents proposing network

options should also submit a GeoAccess report based on the current census zip codes with the following minimal parameters: 2 primary care physicians within a 15-mile radius; 2 specialists within a 15-mile radius; 2 pediatricians within a 15-mile radius; 2 OB/GYNs within a 20-mile radius, and 1 hospital within a 20-mile radius. In addition, a provider disruption file will be provided as part of the RFCSP to analyze the disruption to the City based on the proposed network.

Respondents must complete this section separately for each PPO proposed, if more than one is proposed.

**D. Utilization Review/Medical Management (Point Value: 8 Points)**

Please identify if your utilization review is a part of the ASO service and whether it is an in-house service or provided by an outside vendor, and whether your UR /medical management is URAC-accredited. Also, please describe how individuals are reported to UR/medical management and the procedures involved. Include in your analysis a review of frequency and cost savings.

**E. COBRA/HIPAA (Point Value: 2 Points)**

Currently, the COBRA/HIPAA services are being administered by the City. The chosen ASO must be able to provide these services on behalf of the City. The ASO must also be compliant with HIPAA Title II regulations and be able to assist the City in the privacy policy area. Please indicate whether COBRA/HIPAA administration is provided in-house or with an outside vendor.

**F. Online and Administrative Capabilities (Point Value: 10 Points. Maximum of 5 Points allotted to management administrative services and maximum of 5 Points allotted to employee online capabilities)**

The City would like as much online access as possible to the plan information for management purposes as well as, but not limited to, the ability to monitor claims, run reports and make enrollment changes online. Consideration will be given to whether Respondents allow employees to check personal information online. Consideration will be given to whether employees will have to utilize social security numbers or may use personal identification numbers instead. Any additional cost for this service should be quoted separately as part of subsection A. The City requests Respondents to provide information about HIPAA compliance and security measures taken to protect online information.

Please describe the City's access to the Respondent's account management staff and ability to handle administrative issues including ID card issuance.

**G. Health Reimbursement Arrangement (HRA) (Point Value: 5 Points. Maximum of 3 Points allotted to the ability to administer services and maximum of 2 Points allotted to employee online capabilities)**

The City currently offers employees a HRA option. ASO Respondents must be able to administer an HRA. Members should be able to view their HRA account information online. Please also confirm ability to auto adjudicate the HRA claims and describe in detail. Please identify if your HRA administration is an in-house service or provided by an outside vendor.

**H. References (Point Value: 10 Points)**

At least five references in total should be provided, and one of the five must be a former client. Include contact information and number of covered number of employees. A

Tennessee government entity reference is preferred.

**I. Additional Criteria (Point Value: 15 points)**

Additional criteria that will be used to determine award of the contract will include but will not be limited to the following:

- i. Sample of proposed contract for services.
- ii. Description of additional services available, for example: disease management, predictive modeling and wellness programs offered.
- iii. The qualifications, experience and applicable accreditations of the ASO, staff, and associated vendors. Please describe.
- iv. The scope and degree of services provided. Please describe.
- v. Thoroughness and usefulness of reports provided to the City on a monthly basis.
- vi. Please describe your standard reporting package, customizable reporting packages available and provide examples.
- vii. Ability to work with related vendors. Please describe.
- viii. Claims turnaround time. Please state your average clean claim turnaround time.
- ix. Thoroughness of the response to the RFCSP.
- x. Copy of Explanation of Benefits.

**8.2 Complete Section 8.2 ONLY if you are proposing on the PBM Services and Pharmacy Network.**

**A. Financial Proposal for Pharmacy Program (Point Value: 30 Points)**

The City is seeking a pharmacy benefit manager (PBM) to administer its prescription drug program. The City wishes to receive a three year contract with the option to extend up to two additional one year periods. Respondents must complete the following tables with proposed pricing for each PBM option submitted. **All PBM options submitted must be transparent with regard to all fees, rebates, and spread.**

Identify the administrative services fee per employee per month (PEPM). If there are any other charges that will be assigned to other services please identify these services and the associated fee. Any fees not identified will be assumed to be part of the administrative services included in the PEPM service fee.

Indicate if any of the fees are minimums, maximums or both.

	2015	2016	2017
<b>Retail Dispensing Fee</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$
<b>Mail Order Dispensing Fee</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$
<b>Mail Order at Retail Dispensing Fee</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$

**Guaranteed Discounts off AWP**

	2015	2016	2017
<b>Retail</b>			
Brand			
Generic			
<b>Mail Order</b>			
Brand			
Generic			
<b>Mail Order at Retail</b>			
Brand			
Generic			

If you are guaranteeing a blended rate (MAC and non-MAC), please include in the table above in the “Guaranteed Discount off AWP” section. Otherwise please complete the information specific to the guarantees for MAC and non-MAC below.

	Retail	Mail Order	Mail Order at Retail
% of Generic scripts <b>adjudicated</b> at MAC pricing?			
% of Generic Scripts <b>adjudicated</b> at non-MAC pricing?			
Total (should equal 100%)	100%	100%	100%
Guaranteed MAC Discount			
Guaranteed non-MAC Discount			
Provide Book-of-Business averages for evaluation for:			
Undiscounted Ingredient Cost per Rx			

**Guaranteed Rebates per Script**

	2015	2016	2017
<b>Retail</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$
<b>Mail Order</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$
<b>Mail Order at Retail</b>			
Brand	\$	\$	\$
Generic	\$	\$	\$

**Optional Services Pricing**

List the additional cost of the following optional services.

	2015	2016	2017
Custom Formulary	\$	\$	\$
Member Communication*	\$	\$	\$
Weekly Claims File to FSA / HRA Vendor	\$	\$	\$
Fiduciary Liability	\$	\$	\$
Appeals	\$	\$	\$
Other: (list here)	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

\* Targeted letters notifying members of a change in formulary, prior authorization, quantity limitations, etc.

**B. Questionnaire for PBM Services (Point Value: 20 Points)**

Respondents must complete the Questionnaire for PBM Services in Section 10 for each PBM proposed.

**C. Pharmacy Network (Point Value: 10 Points)**

The City currently utilizes the CIGNA/Great West pharmacy network. A provider disruption file will be provided as part of the RFCSP to analyze the disruption.

**D. Online Management and Administrative Capabilities (Point Value: 10 Points. Maximum of 5 Points allotted to management administrative services and maximum of 5 Points allotted to employee online capabilities)**

The City would like as much online access as possible to the plan information for management purposes as well as, but not limited to, the ability to monitor claims, run reports and make enrollment changes online. Consideration will be given to whether Respondents allow employees to check personal information online. Consideration will be given to whether employees will have to utilize social security numbers or may use personal identification numbers instead. Any additional cost for this service should be quoted separately. The City requests Respondents to provide information about HIPAA compliance and security measures taken to protect online information.

Please describe the City's access to Respondent's account management staff and ability to handle administrative issues including ID card issuance.

**E. References (Point Value: 10 Points)**

At least five references in total should be provided, and one of the five must be a former client. Include contact information and number of covered number of employees. A Tennessee government entity reference is preferred.

**F. Additional Criteria (Point Value: 20 points)**

Additional criteria that will be used to determine award of the contract will include but will not be limited to the following:

- i. Sample of proposed contract for services.
- ii. The qualifications, experience and applicable accreditations of the staff, and associated vendors. Please describe.

- iii. The scope and degree of services provided. Please describe.
- iv. Thoroughness and usefulness of reports provided to the City on a monthly basis.
- v. Please describe your standard reporting package, customizable reporting packages available and provide examples.
- vi. Ability to work with related vendors, including the vendor the City selects as their ASO services vendor. Please describe.
- vii. Claims turnaround time. Please state your average clean claim turnaround time.
- viii. Thoroughness of the response to the RFCSP.

## **9. RFCSP Requirements and Format**

Please use the following format to structure your RFCSP response. Your response should include each section detailed below in the order presented. The detail represents the items that are to be covered in each section of your response. Failure to follow the directions or to address all items will impact the evaluation. Failure to address a significant portion of the items may classify the response as non-responsive and preclude it from further consideration. All materials must fit into a single binder.

### **9.1 Cover with Table of Contents**

### **9.2 Transmittal Letter**

The transmittal letter will indicate the intention of the Respondent to adhere to the provisions described in the RFCSP without modification. The letter of transmittal should:

- A. Identify the submitting organization;
- B. Identify the person, by name and title, authorized to obligate the organization contractually;
- C. Identify the contact person responsible for this response and specify phone, fax, and email address;
- D. Explicitly state that Respondent has reviewed and accepted the City's Terms and Conditions;
- E. State that it has included any additional terms or conditions or documents which it requires;
- F. Identify any and all exceptions or "deal breakers" to the RFCSP requirements;
- G. Acknowledge the proposal is considered firm for one hundred and twenty (120) days after the due date for receipt of proposals or receipt of the last best and final offer submitted. If partners are used, they must also guarantee their section of the proposal for 120 days; and
- H. Signed by a person authorized to contractually obligate the organization.

### **9.3 Proposal**

- A. Your proposal must include answers to Questions A – I in Section 8.1 if you are proposing on the ASO, Medical Provider Network and HRA Administration. Your proposal must include answers to Questions A – F in Section 8.2 and the Questionnaire in Section 10 if you are proposing on the PBM Services and Pharmacy Network.
- B. Respondent Profile: The Respondent will provide a description of its organization and any other firms who will be providing products or services through a subcontracting arrangement with the Respondent.
- C. Experience: Please describe your organization's experience in providing similar services. Identify and briefly describe any pending criminal or civil suits brought against the Respondent, or suits which have resulted in an adverse judgment or settlement within the past three (3) years, arising out

of Respondent's services which are the subject of this RFCSP, and/or allegations of federal or state regulatory violations in provision of services similar to those requested.

- D. City's responsibilities: Identify and briefly describe the role and responsibilities Respondent would expect City to perform in achieving delivery of the requested services.
- E. Scheduling: Provide a tentative implementation strategy and timeline for delivery of the services sought.

#### **9.4 Submittal**

**Five sealed hard copy proposals and one electronic version** should be marked "City of Murfreesboro Health Benefits Program and Associated Services RFCSP" and submitted to:

City Manager's Office  
City of Murfreesboro  
111 West Vine Street, P.O. Box 1139  
Murfreesboro, TN 37133-1139  
Phone: 615-893-5210

In addition, **one sealed hard copy of the proposal and one electronic version** should be marked "City of Murfreesboro Health Benefits Program and Associated Services RFCSP" and submitted to:

Jay Brown  
Cowan Benefit Services  
113 Seaboard Lane, Suite C-170  
Franklin, Tennessee 37067  
Phone: 615-468-3282

**Proposals** should arrive at the above address no later than **3:00 P.M. local time on March 18, 2014**. One sealed hard copy proposal sent to the City should be labeled "Original" and the other sealed hard copies sent to the City and Jay Brown should be labeled "Copies.". Finalists will need to be available for interview during the time period of **April 14 – April 16, 2014**.

Any proposals received after the deadline of **3:00 P.M. local time on March 18, 2014** will be returned unopened.

**Any changes to this RFCSP or its schedule will be posted on the City's website:**  
<http://www.murfreesborotn.gov/healthrfcsp>

## 10. Questionnaire for PBM Services

Each Pharmacy Benefit Manager is required to confirm its stance on the following contractual and administrative issues.

**Please Insert the Name of PBM:** \_\_\_\_\_

1. Please confirm Rx benefits quoted match the current Plan Document.
2. Please confirm your bid is based upon a 100% replication of the current clinical programs.
3. Provide a comparison of your company's prior authorization program to the program currently used by the City.
4. Based on your review of the current prior authorization program, would you make recommendations to change the current program in place? If yes, explain why.
5. Provide a comparison of your company's quantity limitation program to the program currently used by the City.
6. Based on your review of the current quantity limitation program, would you make recommendations to change the current program in place? If yes, explain why.
7. Compare your specialty pharmacy program to what the City currently uses.
8. Describe the process your company follows when a new generic medication is introduced to the marketplace in terms of targeted member and physician mailings, automatic generic substitution, the ability to incent the member by waiving the first month's generic copayment when changed and other such programs. Is there a cost to any of the member specific mailing? If so, describe.
9. Do you have the capability to use pharmacy claims history to contact members who will be affected by a formulary change from the current PBM formulary to your formulary? If so, describe the process, cost, proposed timing and a sample letter to members for review.
10. If provided with prior pharmacy claims history, is it possible to load prior authorization, specialty pharmacy and mail order history to avoid the requirement of new prior authorizations, and transition specialty pharmacy and mail order prescriptions? If yes, explain the recommended process to follow and data specifications for transfer of data.
11. How many pharmacies are available through the proposed network?
12. At the counter, do employees pay the lesser of co-pay or usual and customary, OR the lesser of co-pay, usual and customary, OR contract rate?
13. Does your PBM pay retail medications off the same NDC-11 as the pharmacy is paid?
14. Are quoted rebates paid across on all paid prescriptions? Excluding denied and reversed? Including zero balance, U&C and generics?
15. Are claims with fills of less than 30 days (i.e., 15, 14 or 10 day fills) included in the rebate calculation?

16. Is the definition of a generic prescription the same for purposes of discount guarantees as it is for generic rate guarantees?
17. Does your company maintain the right to change the definition of a generic drug?
18. Are any generic drugs included with your proposed brand pricing?
19. Is the definition of a brand name drug the same when your company pays the pharmacy as when it charges the City? If not, describe.
20. Does the discount that your company will guarantee include the impact of rebates?
21. On what basis does your company calculate the cost to the member, lesser of two (Copay and U&C) or (Copay, U&C and Ingredient Cost + Dispensing Fee)?
22. On what basis does your company calculate the cost to the City, lesser of two (Copay and U&C) or three (Copay, U&C and Ingredient Cost + Dispensing Fee)?
23. Are the same discount and dispensing fees applied to every mail order prescription regardless of days' supply?
24. Are dispensing fees charged on all retail prescriptions? If not, describe.
25. Are pharmacy specific discounts that are lower than negotiated AWP or MAC pricing passed on to the City as savings, or does the PBM keep the savings between a pharmacy's U&C and the AWP pricing?
26. Are pharmacy-specific dispensing fees passed on to the City?
27. Will a fee be charged to the City to access the MAC list and its pricing? If yes, describe.