



REQUEST FOR PROPOSALS

RFP# 24-0005WC

Proposal Offers For

Pharmacy Benefit Management Services

The Association of Washington Cities Employee Benefit Trust is seeking proposals from qualified suppliers to provide pharmacy benefit management services.

Invitation To Bid

The Association of Washington Cities Employee Benefit Trust (“AWC Trust”) is a welfare trust administered in Olympia, Washington, established to provide health and welfare benefits, including prescription drug coverage, to members and their dependents of participating municipalities from Washington State.

Currently, self-funded pharmacy benefit management (“PBM”) services are provided by Prime Therapeutics, through its relationship with Regence Blue Shield/Asuris Northwest Health, which utilizes a Traditional, pass-through pricing model. Active employees and pre-Medicare retirees, along with their eligible and enrolled dependents, receive prescription drug coverage under this self-funded arrangement. Approximately 27,000 participant lives and 247 employer groups participate in the AWC Trust’s prescription drug coverage with 332,000 approved Rx claims in 2023.

The reason for this solicitation is to assess the marketplace for PBM services and determine which PBM vendor can best support the needs and interests of AWC Trust and its members. Proposals are requested for comprehensive PBM services beginning on January 1, 2025 for active employees and pre-Medicare retirees.

Wilkinson Benefit Consultants, Inc. is the pharmacy benefit consulting firm assisting the AWC Trust with this RFP process.

Responses to this RFP

Will be received up to 3:00 pm (PST) on
April 19, 2024

Questions relating to this solicitation should be directed to: **Roy Wilkinson via telephone (410) 905-1463, or email rwilkinson@wbcbbaltimore.com.**

PHARMACY BENEFIT MANAGEMENT SERVICES

Request for Proposal

The Association of Washington Cities Employee Benefit Trust

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A. BACKGROUND

The Association of Washington Cities Employee Benefit Trust (“AWC Trust”) was established in 1969 as a welfare trust administered in Olympia, Washington, and designed to provide health and welfare benefits, including prescription drug coverage. The AWC Trust is Washington’s premier local government benefit pool for cities, towns, and other local government agency employers. The Trust, which qualifies for federal tax exemption under Internal Revenue Code section 501(c)(9) as a “VEBA,” is governed by a Board of Trustees that is representative of member employers participating in coverages under the Trust. The Trust Health Care Program Board is the governing authority for the Trust’s self-insured healthcare programs, including the prescription drug coverage.

Currently, self-insured pharmacy benefit management (“PBM”) services are provided by Prime Therapeutics through an integrated medical/pharmacy benefit administered by Regence Blue Shield/Asuris Northwest Health. They utilize a Pass-Through pricing model. Approximately 27,000 total lives and 247 employer groups participate in the prescription drug coverage. There are three fulfillment channels currently being offered: Retail 30, Retail 90, and Mail Order with a 90-day supply.

The requested proposal is for Active employee and pre-Medicare participants and their dependents. Medicare eligible retirees are covered under a separate EGWP program and not part of this RFP.

B. INTENT

The reason for this solicitation is to assess the marketplace for PBM services and determine which PBM vendor can best support the needs and interests of the AWC Trust and its members. AWC Trust’s intent is to award the business to that PBM vendor.

Proposals are requested for comprehensive PBM services to begin on January 1, 2025.

C. RFP CALENDAR INFORMATION

The following table lists the sequence of events and completion due dates for the RFP process.

Activity	Completion Due Date
Release of initial RFP	3/20/2024
Deadline for Questions	3/27/2024
Proposals due	4/19/2024

Finalist meetings	May 21 & May 22, 2024
Vendor selection	TBD

Electronic copies (via email) of proposals must be received by 3:00 PM PST on the due date via the e-mail address listed below for the project manager. All contact with the consultant/project manager should be via e-mail or phone call, including questions:

Project Consultant: **Roy Wilkinson**
rwilkinson@wbcbbaltimore.com
410-905-1463

No hard copies or binders are required for your submission. Additionally, there will be no Vendor/Bidder conference prior to proposal submission deadline.

D. GENERAL CONDITIONS

ALL PROPOSALS AND ATTACHED MATERIAL WILL BECOME THE PROPERTY OF AWC Trust

1. AWC Trust reserves the right to reject, without explanation, any or all proposals received. Note that vendor participation in this RFP process in no way obligates AWC Trust to pursue a business contract with any of the Vendors.
2. Proposals should be valid for at least one hundred twenty (120) days from the due date.
3. AWC Trust shall not be liable, under any circumstances, for any expenses incurred by any bidder in connection with the selection process. AWC Trust reserves the right, at its sole discretion, to select and negotiate with those Vendors it considers qualified, based on its own criteria, and to terminate negotiations without incurring any liability.
4. This RFP is both confidential and proprietary to AWC Trust, and AWC Trust reserves the right to recall the RFP in its entirety or in part. Vendors cannot, and agree that they will not, duplicate, distribute or otherwise disseminate or make available this document or the information contained in it without the express written consent of AWC Trust. Consent shall be granted only if provided in writing or by e-mail by the AWC Trust project manager. Notwithstanding the foregoing, Vendors may make this document available to those employees who need to know its contents in order to participate in the preparation of this Proposal. Vendor shall indicate whether or not your organization would be willing to enter into a HIPAA Business Associate's Agreement (BAA) with the AWC Trust. Attached is the AWC Trust's BAA for reference.
5. Vendor shall not include or reference this RFP in any publicity without prior written consent from AWC Trust. All vendor information submitted to this RFP will be considered confidential. Any

additional materials that are to be considered confidential and treated as confidential must be clearly marked "confidential" prior to submission.

6. Notwithstanding the foregoing, neither AWC Trust nor Vendors shall be required to treat as confidential, information which is: 1) in the public domain through no fault of the vendor's or AWC Trust's, 2) already lawfully in the possession of the receiving party prior to disclosure by the vendor or AWC Trust, as the case may be, 3) received from a third party, which the third party is not known to be obligated to a party hereto to keep such information confidential, and 4) information requested by any governmental or regulatory body or an arbitrator having jurisdiction over the party directed to make such disclosures.

7. AWC Trust may retain all copies of the proposals submitted.

8. AWC Trust may request additional data, discussion, or presentation in support of proposals. Additionally, AWC Trust may conduct a survey of any vendor under consideration to confirm or clarify any information provided, or to collect more evidence of managerial, financial, and technical abilities, including but not limited to, meetings and visits to current customers served by the vendor.

9. Prior to finalizing any agreement, AWC Trust may review each vendor's insurance coverage to ensure that it meets the necessary requirements. Depending upon the amount and type of insurance required, certification may need to be furnished.

10. Vendors must accept all of the foregoing terms and conditions. Any exceptions must be stipulated in your response to the designated question.

E. FINALIST MEETINGS

AWC Trust may or may not elect to hold finalist meetings. If so, the meetings may be held in the Olympia, Washington area. The purpose of the meetings would be to provide the following information:

1. To clarify and address any open issues;
2. To supplement information obtained through the proposal questionnaire (e.g., utilization management programs, e-prescribing capabilities, etc.);
3. To enhance the understanding of the services and operations of each finalist; and
4. To meet key account management and customer service personnel.

F. SELECTION AND AWARD PROCESS

AWC Trust and their consultant shall conduct a thorough review of all proposals received prior to the required submission deadline and deemed responsive to the instructions in the RFP.

AWC Trust shall follow a process that is in compliance with the Washington Administrative Code Chapter 200-110 Local Government Self-Insurance Health and Welfare Program requirements.

AWC Trust staff and its consultant will evaluate the responses to the RFP and make its determination as to which proposal offers best value to the AWC Trust, on the basis of the following criteria and in accordance with the designated percentage weight indicated in the following chart:

	Criteria	Points
1	Approach to Rx Benefit Management	30%
2	Qualifications and Experience	15%
3	Member Services and Support	30%
4	Price	25%
Total		100%

Selected candidates will be chosen for an interview by a representative panel of AWC staff, Board of Trustees, PBM consultant, and Employee Benefit Advisory Committee members. Recommendations will be made to the AWC Trust's Benefit Committee for review and comments. Final selection and award will be made by the AWC Trust Board of Trustees.

GENERAL INSTRUCTIONS

Your responses should be based on current proven capabilities. You should describe your future capabilities only as a supplement to your "current capabilities" response. Please try to be as concise as possible in your answers with no more than two pages for questions that you believe need an extended explanation in order to better represent your offer. Proposal answers should include the question number or section reference.

Please note, while we ask each Vendor to craft their proposal in accordance with the identified questions and numerical order, we are more interested in the substance of your answer over the style of the response.

H. AWC TRUST SPECIFIC REQUIREMENTS

All Vendors are required, at a minimum, to duplicate the plan features and level of coverage presently offered to AWC Trust's covered participant population. Please refer to the Plan Design information in Exhibit #4.

Prospective Vendors are to propose comprehensive PBM services including, but not limited to the following:

- Claims adjudication
- Electronic eligibility maintenance
- Patient and provider education
- Systematic prospective, concurrent and retrospective drug utilization review
- Network pharmacy contracting and management
- Formulary management
- Contracting with manufacturers for rebates
- Data reporting, as required/requested by the AWC Trust as well as federal and state regulators
- Pricing administration
- Member service help desk/call center
- Clinical management programs
- Ad hoc reporting as requested by the AWC Trust
- Mail order or home delivery services
- Specialty drug pharmacy management program
- Attendance as requested at a minimum of one (1) Board or Plan staff meeting per year (not to exceed three (3) events without mutual discussion and agreement between the parties)

1. AWC TRUST RESPONSIBILITIES

AWC Trust shall provide eligibility and enrollment reports and updates, benefit design changes, payment facility for claims and administrative services, as mutually agreed with PBM as being necessary for the operation of the pharmacy benefit program.

2. PBM ACCOUNT TEAM

<i>Please list the individuals that would be assigned to this account.</i>	Name, Title, telephone, e-mail, number of years with your company
Account Executive	
Direct supervisor of Account Executive	
Clinical Account Executive	

I. CONTRACTUAL REQUIREMENTS

Confirm whether or not you agree to the following requirements. Please explain or offer an alternative approach for any “no” answers.

Failure to complete and include these questions with your response may result in your proposal being deemed nonresponsive.

A “Yes” response shall result in the provision being adopted in the final contract. No deviations will be accepted for “YES” answers in this section.

1. GENERAL TERMS

Requirement	Agrees to or Meets Yes	Agrees to or Meets No
1.1 All of these responses and definitions expressed in Vendor’s proposal will become part of the contract if the Vendor is the selected PBM.		
1.2 Initial term of the PBM contract shall be for three (3) years.		
1.3 The PBM contract will provide a Termination for Convenience provision effective after the first contract year (12 months) with a 90-day notice requirement.		
1.4 PBM will adhere to a Pass-Through pricing arrangement with no pricing spreads created at retail or mail.		

<p>1.5 Rebates shall be defined as all compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of covered drugs by eligible persons, including, but not limited to, incentive rebates categorized as mail order purchase discounts; credits; rebates, regardless of how categorized; market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; clinical detailing; rebate submission fees; and administrative or management fees. Rebates also include any fees that PBM receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access.</p>		
<p>1.6 The term Brand Drug shall mean: the multisource code field in Medi-Span containing an “M”, “O” or an “N” code, however, if the code is “O” and there is a DAW Code of 3,4,5,6, or 9, the drug shall be considered a generic drug. The parties agree that when a drug is identified as a brand drug, it shall be considered a brand drug for all purposes and at all times under the PVM contract.</p>		
<p>1.7 The term Generic Drug shall mean: the multisource code field in Medi-Span containing a “Y” code. An item shall be considered a generic drug if the multisource code is a “O” and there is a DAW code of 3,4,5,6 or 9. The parties agree that when a drug is identified as a generic drug, it shall be considered a generic drug for all purposes and at all times under the PBM contract. The parties also agree that if the PBM is provided any rebates or other financial benefits for any drug characterized under the agreement PBM contract as a generic drug dispensed to a plan participant of AWC Trust, the PBM shall be obligated to pass through all such rebates and financial benefits to the AWC Trust.</p>		
<p>1.8 PBM agrees to use the same MAC list and pricing for invoicing AWC Trust as it does for reimbursing the pharmacy.</p>		
<p>1.9 PBM agrees to provide claims data to AWC Trust monthly within one week from the end of the most current period at no cost to AWC Trust.</p>		
<p>1.10 Compounds, OTC claims, U&C claims, and claims with ancillary charges will be excluded from the guarantee measurements for retail and mail order prescriptions. Zero balance due claims or zero amount claims will be included in the guaranteed measurement for AWP, ingredient cost, achieved discounts or dispensing fee calculations at the discounted cost before copay.</p>		
<p>1.11 Non-MAC, MAC, single-source and multiple-source generic products will be included in the generic guarantee measurement.</p>		
<p>1.12 Limits of Liability shall be established at an amount consistent with the guidelines required by many public entity welfare trusts and which reflects the per occurrence liability limits in the PBM’s liability insurance. In no instance will it be less than \$500,000</p>		

<p>1.13 Offshore Operations: Vendor agrees that all customer service operations requiring verbal communication will be performed in the United States (i.e., will not be provided offshore).</p>		
<p>1.14 Proper Licensure: Vendor agrees to maintain proper licensure as required by any Washington state law where it relates to the services that will be performed for AWC Trust.</p>		
<p>1.15 The PBM shall indemnify, defend and hold harmless the AWC Trust, its officers, directors, employees and agents from and against any and all claims, actions, demands, costs, and expenses, including reasonable attorney fees and disbursements, as a result of a breach by the PBM of any of its obligations under the Agreement or arising out of the negligent act or omission or willful misconduct of the PBM or its employees or agents.</p>		
<p>1.16 HIPAA Compliance: PBM attests to meeting all applicable HIPAA EDI, Privacy, Security, and HITECH requirements and agrees to hold AWC Trust harmless for breaches that are the result of vendor actions. PBM also agrees that in the event of a privacy violation or data breach, that the PBM will notify the AWC Trust and the impacted members to a breach and provide any required remedies.</p>		
<p>1.17 No Member Communication Without Client Consent: PBM will not automatically enroll AWC Trust in any programs that involve any type of communication with members, without express written consent from AWC Trust.</p>		
<p>1.18 Assignment or Transfer of Rights: PBM agrees not to assign or transfer the rights or obligations of the contract or any portion thereof, without the prior written approval of AWC Trust.</p>		
<p>1.19 Market Check: PBM agrees to a mid-contract term market check, that may start as soon as the second quarter of the second contract year, conducted by an independent third party to ensure AWC Trust is receiving appropriate current pricing terms competitive with the industry (as compared to other PBMs) based on its volume and membership, and will improve pricing in the event that the AWC Trust's contract terms are less than current. The AWC Trust will have the right to terminate without penalty if the pricing terms are not industry competitive.</p>		
<p>1.20 PBM agrees to implement new pricing within 90 days of completion of the market check or signature of contract. Acceptance of the new pricing will apply for the remainder of the Initial Term and will NOT result in extension of the contract, unless requested by the AWC Trust. The financial guarantees for any partial contractual year that results from the implementation of new pricing will still be guaranteed, reconciled and the PBM will still make payments for any shortfalls for those partial contractual years with less than 12 months and those contractual years with over 12 months.</p>		

<p>1.21 AWC Trust may elect to carve-out any support service or distribution channel if, in the opinion of AWC Trust, it is in their best interest. These services include, but are not limited to, mail order, disease management, prior authorizations, or specialty drugs. This election must provide the PBM with 120-day written notice.</p>		
<p>1.22 Client eligibility and claimdata - All eligibility and claims records are the sole property of the AWC Trust and must be made available upon request to the AWC Trust and its representatives. Selling or providing of the AWC Trust's data to ANY outside entities must be approved in advance in writing, reported on a monthly basis and all income derived must be disclosed and shared per agreement with AWC Trust. Even if PBM has not "sold" the data, it is NOT free to use the data for analyses that PBM publishes or provides to outside industries.</p>		
<p>1.23 Paid Claims: Defined as all transactions made on eligible participants that result in a payment to pharmacies or participants from the AWCEBT or their participant's member copays. (Does not include reversals, rejected claims and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim.</p>		
<p>1.24 Vendor agrees to coordinate claims information with other Trust vendors, including medical plan vendors, TPA, and/or specialty drug vendor</p>		
<p>1.25 Can the Vendor provide claims processing support to ensure accumulators are tracked in the major medical coverage? If so, please explain</p>		
<p>1.26 Provide coordination and support to the Trust on stop-loss reimbursements, including notices and submissions to the carrier</p>		

<p>CONTRACTUAL REQUIREMENTS</p>
<p>If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)</p>

Requirement No.	Explanation

2. NETWORK REQUIREMENTS

Vendor may use an open or broad network.

2.1 Please list any pharmacy chains operating in Washington state not included in your standard or broad network. If none, please state "None."

Pharmacy chain

Requirement	Agrees to or Meets Yes	Agrees to or Meets No
2.1.1 The AWC Trust may decide whether or not to use mandatory mail-service or similar extended days (e.g., 90) supply programs.		

2.1.2 PBM shall maintain an online pharmacy directory that includes name, location, telephone number, any non-English languages spoken, hours of operation (particularly 24 hour), available vaccine services and delivery services		
2.1.3 PBM shall provide a hard copy of the pharmacy directory to members upon request.		
2.1.4 Offer can propose both a broad and narrow network option. Is a narrow network available?		
2.1.5 The PBM will not withhold any financial recoveries from audits performed on the contracted pharmacy network including mail order and specialty pharmacies. Any recoveries will be disclosed and credited to the AWC Trust.		
2.1.6 The PBM agrees that it will not remove any participating network pharmacies that impact greater than 2% of the AWC Trust prescriptions without communicating to the AWC Trust at least sixty (60) days in advance of the scheduled change. If the change is not agreeable to the AWC Trust, the AWC Trust will have the right to terminate the PBM contract without penalty.		

CONTRACTUAL REQUIREMENTS	
If you answered “No” to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

3. PRICING REQUIREMENTS

Requirement	Agrees to or Meets Yes	Agrees to or Meets No
3.1 The AWP or alternative pricing benchmark for individual claims will be available for review from a published third-party reference or compendium. It will not be an average price and will not, in any way be calculated, altered, adjusted or assigned an alternate NDC number		
3.2 The AWP discount or NADAC benchmark is based on Medi-Span NDC-11. If no, please explain		
3.3 Each distinct pricing guarantee shall be measured and reconciled on a component (e.g., retail brand, retail generic, mail brand, mail generic, specialty) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by AWC Trust. Surpluses in one component may not be used to offset deficits in another component.		
3.4 Mail service pricing is based on the actual package size used to dispense		
3.5 PBM shall apply "lower of" pricing provisions to all drugs, including those with MAC.		
a. Aggregate Ingredient Cost prior to application of plan specific co-payments will be the basis of the calculation.		
b. Aggregate AWP will be from a single, nationally recognized price source for all claims. Please indicate source.		
c. Dispensing Fees are not included in the Aggregate Ingredient Cost.		
d.. All guaranteed measurements shall be calculated prior to the copayment being applied.		
e. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used.		
f. Aggregate AWP will be the date sensitive, 11-digit NDC of the actual product dispensed.		
g. Both non-MAC, MAC, single-source and multiple source generic products are to be included in the generic guarantee measurement.		
h. Compounds, OTC claims, and claims with ancillary charges will be excluded from the guarantee measurements for retail and mail order components.		
i. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs, and/or other therapeutic interventions.		
j. Measurement may be performed annually via independent audit utilizing date-sensitive AWP derived from a single, nationally recognized price source for all claims.		

<p>3.6 The PBM will provide a financial reconciliation report within 90 days after the end of each contractual year, and the report will include the contractual and actual discounts and dispensing fees for each component (e.g., retail brands, retail 90 brands, retail generics, retail 90 generics, mail brands, mail generics, specialty drugs via Participating Retail Pharmacies, specialty drugs via the PBM's Specialty Pharmacy).</p>		
<p>3.7 All pricing submitted will NOT be contingent on participation in any proposed clinical management programs, group medical or behavioral health programs proposed by you or any other vendor other than programs that are requested by the AWC Trust. Further, the pricing guaranteed in the Financial Section of this RFP reflects a) the PBM's broadest national network and b) the PBM's managed/exclusionary/clinical formulary</p>		
<p>3.8 Guaranteed rebates per prescription will be based on all brand prescriptions dispensed, not on formulary prescriptions dispensed.</p>		
<p>3.9 Rebates are guaranteed on a minimum (i.e., not fixed) basis, and the PBM will pass through 100% of the rebates to AWC Trust.</p>		
<p>3.10 Does the PBM use an external organization for rebate aggregation? If so, which one?</p>		
<p>3.11 The PBM will be responsible for collecting any outstanding participant cost shares for prescriptions dispensed through the mail order facility. The PBM will not invoice the AWC Trust for any uncollected participant cost shares..</p>		
<p>3.12 Confirm that if AWC Trust disputes all or a portion of any invoice, AWC Trust will pay the undisputed amount timely and notify the PBM in writing, of the specific reason and amount of any dispute before the due date of the invoice. The PBM and AWC Trust will work together, in good faith, to resolve any dispute. . Upon resolution, AWC Trust or the PBM will remit the amount owed to the other party, if any, within five (5) business days as the parties agree based on the resolution.</p>		
<p>3.13 The AWC Trust or its designee will have the right to audit annually, with an auditor of its choice, (for both claims and rebate audits), with full cooperation of the selected PBM, the claims, services and pricing and/or rebates, including the manufacturer rebate contracts held by the PBM, to verify compliance with all program requirements and contractual guarantees with no additional charge from the PBM.</p>		
<p>3.14 The AWC Trust or its designee will have the right to audit up to 36 months of claims data at no additional charge from the PBM.</p>		
<p>3.15 The PBM will provide complete claim files and documentation (i.e., full claim files, financial reconciliation reports, inclusion files, and plan documentation) to the auditor within 30 days of receipt of the audit data request as long as a non-disclosure agreement is in place between the auditor and the PBM.</p>		
<p>3.16 The PBM agrees to a 45-day turnaround time to provide the full responses to all of the sample claims (no claims maximum) and claims audit findings.</p>		
<p>3.17 The AWC Trust or its designee will have the right to audit up to 12 pharmaceutical manufacturer contracts during an on-site rebate audit</p>		

3.18 The AWC Trust will not be held responsible for time or miscellaneous costs incurred by the PBM in association with any audit process including, all costs associated with provision of data, audit finding response reports, or systems access, provided to AWC Trust or its designee by the PBM during the life of the contract. Note: This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.		
3.19 All pricing will be effective and guaranteed for the term of the agreement and will not include adjustments for claims volume shifts amongst the various provider channels (e.g., mail utilization rates decline).		
3.20 The PBM will NOT implement, administer, or allow any program that results in the conversion from lower discounted ingredient cost drug products to higher ingredient cost drug products or increases member's cost share without the prior written consent of the AWC Trust or its designee.		
3.21 All applicable administrative fees will be on a per paid claim basis as defined in Question 1.23.		
3.22 If the usual & customary (U&C) price is lower than the standard discount price, the member will always pay the "lower of" U&C price.		
3.23 PBM shall maintain and use retail pharmacy discount program pricing (e.g., \$4 generics) for usual & customary pricing		

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

4. SPECIALTY DRUGS

Requirement	Agrees to or Meets Yes	Agrees to or Meets No
4.1 PBM shall provide a guaranteed discount off of Medi-Span AWP for both specialty brands and specialty generics.		
4.2 All specialty drug rebates shall be passed through to AWC Trust.		
4.3 Does the PBM provide any means of tracking claims using manufacturer's patient assistance programs or coupons?		
4.4 Does the PBM provide any type of patient assistance management or coordination programs? If yes, please explain.		
4.5 Does the PBM have a strategy for biosimilar drug products? If so, please explain.		

4.6 What is the PBM's strategy for Humira specifically, and its biosimilars? What impact will it have on rebate guarantees?

4.7 How many Specialty NDCs appear on the Limited Distribution List that will be used for AWC Trust?

4.8 What percentage of Specialty claims that are subject to a Prior Authorization in 2023 were denied?

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

5. FORMULARY MANAGEMENT

Vendor may utilize an incentive formulary

Requirement	Agrees to or Meets Yes	Agrees to or Meets No
5.1 As a reminder, all Vendors must complete and submit a formulary disruption based on the claims data provided and your proposed formulary with drug exclusions. Results to be included are the number of patients that will require change, the percentage of prescriptions dispensed, and the dollar amounts associated with the formulary change. A table of formulary changes (tiers or exclusions) should also be provided that lists the specific drugs that will have a change in formulary status.		
5.2 AWC Trust retains full control over formulary management decisions including, but not limited to, coverage restrictions, preferred drug list inclusions and benefit designs		
5.3 PBM shall notify AWC Trust and/or members at least 180 days prior to a formulary change		
5.4 With the exception of FDA recalls or other safety issues, the PBM agrees not to remove any additional drug products, brand or generic, from AWC Trust's formulary or preferred drug listing without notification and prior approval from the AWC Trust no less than 180 days from the suggested effective date of the change.		
5.5 Provide the name of the Formulary you are proposing to AWC Trust. If applicable, provide the number of drug exclusions as well as a list of the excluded drugs and the therapeutic alternatives.		
5.6 Other than for FDA recalls, the PBM agrees to remove drugs from coverage or the formulary at most one-time per year and no greater than two percent (2%) of participants will be disrupted by any formulary deletions or all deletions in total, on an annual basis.		
5.7 Confirm a participant will be able to obtain an excluded prescription through a Prior Authorization without impact to the guaranteed rebates.		
5.8 Based on the utilization data provided, upload an Excel file listing all products that will be impacted negatively, positively (covered, non-covered, non-preferred) or remain unchanged in regard to formulary status, under your proposed formulary. (NOTE: formulary tiers are not included in the claims file so the analysis should be conducted as a "tier-up/positive" or "tier-down/negative" basis.) Use the table below as your example:		

Current Tier	Proposed Tier	Type of Change	Number of Rx's	% of Total Rx's
1	1	No Change		
1	2,3	Negative(lower tier to higher tier or excluded)		
2,3	1	Positive (higher tier to lower tier)		
		Total		100.0%

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

6. THERAPEUTIC INTERCHANGE

Requirement	Agrees to or Meets	Agrees to or Meets
	Yes	No
6.1 Only initiate therapeutic interchanges on drug pairs approved by AWC Trust		
6.2 Only initiate therapeutic interchanges when switching to drugs with a lower ingredient cost		

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

7. DRUG COMPANY & OTHER THIRD-PARTY PAYMENTS

Requirement	Agrees to or Meets	Agrees to or Meets
	Yes	No
7.1 Provide all rebate administration		
7.2 AWC Trust shall receive 100% of rebates as defined in Question 1.5		
7.3 AWC Trust will receive earned rebates within 90 days of drug company payment. If different, please indicate days: _____		
7.4 All rebate revenue earned by AWC Trust will be paid to AWC Trust regardless of their termination status as a client. Lag rebates will continue to be paid to AWC Trust after termination until 100% of earned rebates are paid.		

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

8. CLINICAL ADJUDICATION & UTILIZATION MANAGEMENT

Requirement	Agrees to or Meets	Agrees to or Meets
	Yes	No
8.1 Include in the base administrative fee all clinical & utilization management programs administered by the claims processing system. For example, include all step therapy and prior authorization edits, except those requiring additional review		
8.2 Manage prior authorization requests using AWC Trust and AWC Trust approved criteria		
8.3. Respond to prior authorization requests within twenty-four (24) hours, 7 days a week.		
8.4 If unable to respond within 24 hours the claims processing system will automatically allow the pharmacy to dispense up to a seventy-two (72)-hour supply of a product without having to obtain an override		
8.5 Manage the plan design that requires pre-authorization for all Specialty Drugs that exceed \$500 and which gets paid under the medical plan.		
8.6 Does the PBM have a suggested edit for controlling compound prescriptions? If so, what is it?		

8.7 Describe the PBM’s clinical programs that are available to AWC Trust. Please note that that all pricing submitted will NOT be contingent on participation in any of these optional clinical programs. List any fees for these programs in the Exhibit 2 Administrative Service Fees. For example: prior authorization that requires clinical pharmacist review; or dose optimization at mail or retail, etc.

CONTRACTUAL REQUIREMENTS	
If you answered “No” to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

9. DATA MANAGEMENT

9.1 Provide a sample of a standard reporting package you can provide to AWC Trust.

9.2 Please describe how the PBM provides connectivity to additional carve-out Vendors who may be contracted with AWC Trust, such as disease management, specialty drugs, prior authorization, etc.

9.3 Is there an integrated data reporting capability provided by the PBM that can include carve-out Vendors, such as specialty drugs, or disease management? 9.4 Please describe the electronic reporting options available to AWC Trust, including online decision support, member pricing/shopping tools, etc. and any associated charges.

9.5 Please describe your communications capabilities with participants via mobile applications available for pharmacy cost comparisons, patient medication adherence, etc.

9.6 Please include a sample annual executive review that includes utilization summaries, plan recommendations, predictive modeling analysis tools, and benchmark comparisons.

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

10. PLAN DESIGN

Please confirm that you can currently administer these options with no additional charge:

	Able to	
	Yes	No
10.1 Mail order copays that are 2, 2.5 or 3 times higher than retail and based on coinsurance		
10.2 Value-based formulary		
10.3 Exclusion of select medications in mail order		

CONTRACTUAL REQUIREMENTS
If you answered "No" to any of the questions above, please provide an explanation below: (Add rows as necessary)

Requirement No.	Explanation

11. WEBSITE CAPABILITIES

Complete the following table to describe your website capabilities

Available?	Yes	No
11.1 Preferred drug list		
11.2 AWC Trust preferred drug listing (if customized)		
11.3 Patient profiles (for AWC Trust care manager use)		
11.4 Brand/generic alternatives		
11.5 Refill and renew mail-service prescriptions		
11.6 Interactive health management tools		
11.7 Submit inquiries to Customer Service Team		
11.8 General health information for disease management		
11.9 Comparison Rx shopping with Good Rx, or similar pricing app		
11.10 Do you agree to support single sign-on technology for integration with AWC Trust?		

CONTRACTUAL REQUIREMENTS	
If you answered “No” to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

12. QUALITY ASSURANCE AND AUDITS

Confirm that you will agree to the following:

Requirement	Agrees to	Agrees to
	or Meets Yes	or Meets No
12.1 Pharmacy audit results shall be reported to AWC Trust		
12.2 The base administrative fee includes all audit services.		
12.3 100% of all audit recoveries shall be credited to AWC Trust within 90 days of receipt of final audit		
12.4 The AWC Trust reserves the right to access all call recordings or call notes from participant service calls with its members. PBM agrees to allow the AWC Trust to listen to any recorded calls within 24 hours of the AWC Trust's request.		
12.5 The PBM agrees to, at minimum, quarterly calls to review participant service issues. The PBM agrees to allow the AWC Trust to review participant service quality issues to the resolution endpoint.		
12.6 The PBM agrees to provide online, real time, claim system access to the AWC Trust or its designee, including access to historical claims data for up to three (3) years following termination of the agreement.		
12.7 The PBM agrees that all future edits required because of plan design changes implemented by AWC Trust shall be completed, after testing, by the PBM within 45 days of request/advisory by the AWC Trust.		
12.8 Confirm that multi-language communication phone line support is included in the base administrative fee. List the languages available to the AWC Trust participants speaking to your customer service representatives.		

12.9 How are disabled (e.g., hearing-impaired) member calls facilitated through your member services area?

12.10 How do you track participant complaints? List the top 5 member complaints. What processes/remedies have been put into effect to resolve these complaints?

CONTRACTUAL REQUIREMENTS

If you answered “No” to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

13. CREDITS OR ALLOWANCES

13.1 Describe any credits or allowances that are included in the offer:

Brief description	Year 1	Year 2	Year 3
Implementation			
Renewal			
Mail-service			
Internet usage			
Other			

13.2 Define conditions for payment of the above.

CONTRACTUAL REQUIREMENTS	
If you answered “No” to any of the questions above, please provide an explanation below: (Add rows as necessary)	
Requirement No.	Explanation

14. OTHER GENERAL QUESTIONS

14.1 Complete the following table:

Organization Name	
Headquarters Location	
Date Founded	
Organization Structure (Corporation, LLC, etc.)	
Number of Employees	
Number of PBM Lives Under Management	
Number of Groups That You Service	
RFP Contact Person's Name	
Title	
City/State	
Phone	
Email Address	

14.2 Will the Offeror be using any subcontractors to provide services to AWC Trust? (e.g., Mail order, Specialty drugs, claims processing, data reporting/analytics, rebate aggregator, clinical programs, etc.)

If so, please identify.

14.3 Please confirm the type and limits of professional liability insurance including E&O coverages and Cybersecurity coverage.

14.4 Please describe your data security protocol and HIPAA-compliance (Please limit to one-page)

14.5 What differentiates your organization and capabilities from your competitors?

14.6 Will you agree to hold AWC Trust harmless for any claims resulting from dispensing errors from retail and mail-order fulfillment?

14.7 Describe how you identify and monitor pharmacies that may be practicing fraud, waste or abuse? (Please limit to one-page)

14.8 Describe any pending plans to reorganize or merge your organization during 2024.

14.9 Have you, or any officers and/or directors of your company, ever been debarred or suspended by a government from consideration for the award of contracts? a. YES - Please list the contract party, and explain

b. NO

14.10. Have you, or any officers and/or directors of your company, ever been disqualified, removed, sued, or otherwise prevented from proposing on or completing any contract? a. YES - Please list the contract party, and explain

b. NO

14.11. Have you, or any officers and/or directors of your company, ever been charged with liquidated damages on a contract? a. YES - Please list the contract party, and explain

b. NO

14.12 Please provide three (3) references that would be meaningful to AWC Trust. Please include the name of the organization, number of lives, contact person, title, phone number and email address.

Reference #1	
Organization	

PBM RFP
 The Association of Washington Cities Employee Benefit Trust

# of Lives	
Contact Name	
Title	
Phone	
Email	
Reference #2	
Organization	
# of Lives	
Contact Name	
Title	
Phone	
Email	
Reference #3	
Organization	
# of Lives	
Contact Name	
Title	
Phone	
Email	

EXHIBIT 1 FINANCIAL OFFER

Please complete the following table to describe your financial offer:

	Guaranteed Offer	AWCEBT Comments
Retail/30		
Network name & type		Describe as broad, select, etc.
	<i>AWP discount</i>	
Generics		Please provide electronic file of current MAC list, with unit cost pricing, including NDC and the GCN sequence number
Multi-source Brand		
Single-source Brand		
Mail-Service	<i>AWP discount</i>	
Generics		Note whether same MAC pricing will be used for retail and mail-service prescriptions.
Multi-source Brand		
Single-source Brand		
	<i>AWP discount</i>	
Specialty Drugs		Please attach description of drugs included in the specialty category;
Dispensing Fees	<i>Guarantee</i>	
<i>Retail</i>		
Generics		Applies to all generics including single-source.
Single-source generics		Primarily applies to new generic introductions during their exclusivity period.
Multi-source Brand		
Single-source Brand		
Other pharmacy fees		Example: claims submission fees
<i>Mail-Service</i>	<i>Guarantee</i>	
Generics		Applies to all generics including single-source
Single-source Generics		Primarily applies to new generic introductions during their exclusivity period.
Multi-source Brand		
Single-source Brand		
	<i>Guarantee</i>	
<i>Specialty Drugs</i>		

Retail/90		
Generics		
Multi-source Brand		
Single-source Brand		
Rebates		
Retail per claim		
% claims rebated		Quote on an "every claim" basis (e.g., 100%) rather than select claims (e.g., branded, rebated claim)
Mail per claim		
% claims rebated		Quote on an "every claim" basis (e.g., 100%) rather than select claims (e.g., branded, rebated claim)
Administrative Fees		Please attach pricing for any services you offer not included on this worksheet.
<i>per Rx</i>		
Retail		
Mail		
<i>per eligible per month</i>		
<i>per member per month</i>		Preferred method for paying administrative fees.
Clinical Adjudication Fees		List price for all clinical adjudication services (e.g., on-line DUR, step-therapy, etc.) described in Exhibit 5. Please attach pricing for any services you offer not included on this worksheet.

<i>per member per month</i>		Preferred method for paying administrative fees
<i>per Rx</i>		
Retail		
Mail		

PBM RFP
The Association of Washington Cities Employee Benefit Trust

<i>per eligible per month</i>		
Credits	\$ -	
Allowance	\$ -	

**EXHIBIT 2
 SERVICES INCLUDED IN ADMINISTRATIVE FEES**

Check all items that are NOT included in the base administration fee. If not included in fee, provide the actual cost associated with the service per occurrence and an estimated annual expense, as well as an estimated ROI for each program. These services should focus on unique capabilities that AWC Trust does not provide. If included at no charge, leave blank.

Eligibility	Not Included	Additional Charge Amount
Administration of eligibility submitted via tape or telecommunication in a PBM standard format	<input type="checkbox"/>	
Eligibility maintenance	<input type="checkbox"/>	
Hard copy eligibility submission	<input type="checkbox"/>	

AWCEBT Support	Not Included	Additional Charge Amount
AWC Trust access to PBM’s systems to support AWC Trust coverage, eligibility & authorization activities	<input type="checkbox"/>	
Connectivity charges to AWC Trust customer and provider support system	<input type="checkbox"/>	

Claim Adjudication	Not Included	Additional Charge Amount
Administration of PBM standard plan designs including tiered (3 and greater) co-payments, coinsurance, maximum limits, out-of-pocket limits, deductibles	<input type="checkbox"/>	
In-network claims adjudication via on-line claims adjudication system	<input type="checkbox"/>	
Direct reimbursement/out-of-network claims adjudication (including check and EOB)	<input type="checkbox"/>	
On-line claims history retention in excess of 12 months	<input type="checkbox"/>	
Transfer of claims to medical carrier and AWC Trust consultants.	<input type="checkbox"/>	
Retail Pharmacy Network	Not Included	Additional Charge Amount

Establish, maintain, credential and contract an adequate panel of participating network pharmacies	<input type="checkbox"/>	
Develop & distribute communication materials to participating pharmacies regarding the program	<input type="checkbox"/>	
Toll-free access to Help Desk for eligibility/claims processing assistance	<input type="checkbox"/>	

Toll-free access to PBM pharmacists to obtain DUR assistance	<input type="checkbox"/>	
Monitor network pharmacy performance and compliance, including generic substitution rates, formulary program conformance, and DUR intervention conformance through retail network management initiatives and reporting	<input type="checkbox"/>	
Standard pharmacy audit program (including desktop, member survey, and onsite pharmacy audits)	<input type="checkbox"/>	
Enhanced audit program (please describe)	<input type="checkbox"/>	

Clinical Programs	Not Included	Additional Charge Amount
Point of Sale Edits	<input type="checkbox"/>	
Dose/Quantity Duration Edits	<input type="checkbox"/>	
Step Therapy Edits	<input type="checkbox"/>	
Dispensing Quantity Edits	<input type="checkbox"/>	
Physician prescribing summaries	<input type="checkbox"/>	
High utilization management	<input type="checkbox"/>	
Patient-specific notifications to physicians regarding drug therapy problems (e.g., noncompliance, early discontinuation, suboptimal therapy) based on integrated prescription, medical and laboratory data	<input type="checkbox"/>	

Reviews and Appeals Management	Not Included	Additional Charge Amount
Initial Determination and First Level Appeals	<input type="checkbox"/>	
- Administrative	<input type="checkbox"/>	
- Administrative	<input type="checkbox"/>	
- Clinical – conditions of coverage reported by physician	<input type="checkbox"/>	

Reporting	Not Included	Additional Charge Amount
Standard management reports	<input type="checkbox"/>	
Claims detail file every two weeks (Integrated card/home delivery claims)	<input type="checkbox"/>	
Quarterly claims detail electronic file sent to AWC Trust	<input type="checkbox"/>	
Web-based online, decision support tool allowing AWC Trust access to reports and ad hoc query capabilities	<input type="checkbox"/>	
Additional ad-hoc/custom report production, reprogramming and testing of non-standard AWC Trust requirements	<input type="checkbox"/>	
Up to __hours of programming to support specialized reporting or benefit design. This specialized reporting shall include all Federal and Washington state reporting obligations including RxDC as identified in the CAA 2021.	<input type="checkbox"/>	

Member Service	Not Included	Additional Charge Amount
24/7 Toll-free telephone access to customer service for the program for use by plan members, benefits personnel and physicians	<input type="checkbox"/>	
24/7 Toll-free telephone access to voice response unit for location of network	<input type="checkbox"/>	
24-hour access to a PBM pharmacist via toll-free telephone service	<input type="checkbox"/>	
PBM enrollment package for new members, including announcement letter, descriptive brochure, & mail-service envelope:	<input type="checkbox"/>	

Distribution of customized AWCEBT materials, except as described elsewhere	<input type="checkbox"/>	
Optional Explanation of Benefits (OEOB) to record on a monthly basis describing the application of deductibles and coinsurance	<input type="checkbox"/>	
Customized, targeted member mailings for supporting formulary initiatives	<input type="checkbox"/>	

PBM Website	Not Included	Additional Charge Amount
Standard member website capabilities including online prescription ordering & status; coverage & benefit information; health information and assessment resources	<input type="checkbox"/>	
Online drug cost comparison tool including formulary status and average cost per prescription	<input type="checkbox"/>	

Account Management	Not Included	Additional Charge Amount
AWC Trust clinical and plan consulting, analysis and cost projections	<input type="checkbox"/>	
Annual analysis of program utilization and impact of plan design and managed care interventions	<input type="checkbox"/>	

Mail Pharmacy Services	Not Included	Additional Charge Amount
Processing of prescriptions received via Internet, fax, phone or mail	<input type="checkbox"/>	
Refill orders received by phone or Internet 24 hours a day, 7 days a week	<input type="checkbox"/>	
Handling and postage expense of home delivery prescriptions	<input type="checkbox"/>	
Expedited delivery	<input type="checkbox"/>	
Braille prescription labels for visually impaired	<input type="checkbox"/>	
Communication/educational materials included in medication packages including benefit summary statement, drug information leaflet, mail-service envelope, refill forms (as needed)	<input type="checkbox"/>	
General communications regarding utilization of home delivery including brochures, table tent cards, posters, content for general e-mail messaging to members, newsletter content	<input type="checkbox"/>	

Attach a description and fees for available services not included in the base administrative fee. Include any additional fees for processing Specialty Drugs that exceed \$500 under the medical plan.

EXHIBIT 3
PERFORMANCE GUARANTEES

1. Vendor shall submit a list of their standard performance guarantees with their proposal.

a. Unless otherwise indicated, performance guarantees will be measured and reported monthly. Penalties will be assessed annually within 90 days of end of calendar year

EXHIBIT 4
PLAN DESIGNS

Retail Drugs

Schedule of Outpatient Prescription Drug Benefits	
	Your Payment at Retail PBM Pharmacy
Generics	\$5
Preferred Brands	\$25
Non-Preferred Brands	\$50
Specialty	\$100

Mail Order Drugs

Schedule of Outpatient Prescription Drug Benefits	
	Your Payment at Mail Order PBM Pharmacy
Generics	\$10
Preferred Brands	\$50
Non-Preferred Brands	\$100
Specialty	\$100

These are the most widely used copays for this plan. Several of the options substitute a coinsurance arrangement. The HDHP has 20% coinsurance in all tiers. HF500 has 50% coinsurance in Tier 3.

Pre-Certification

Some medications require Pre-Certification. If Pre-Certification is not obtained when required, the medication will not be covered. The following medications require Pre-Certification:

- 1. All specialty medications/injectable drugs that cost more than \$500 per prescription for a supply of 31 days. These drugs are covered under the Pipe Trades PPO Self-Funded Medical Plan when Pre-Certified by the Plan.**
- 2. Human Growth Hormone**
- 3. Retin-A**

Excluded Drugs

- **Specialty medication/injectable drugs costing more than \$500 per prescription for a supply of 31 days or less**
- **Specialty medications/injectable drugs for a supply of greater than 31 days**
- **Drugs not requiring a written prescription from a licensed physician**
- **Drugs intended for use in a physician's office or in a setting other than for home use**
- **Medication to be taken or administered to any individual, in whole or in part, while he or she is a patient in a hospital**
- **Charges for drug administration**
- **Fertility/infertility drugs**
- **Weight loss medications unless prior authorization has been approved**
- **Immunization agents, biological sera, blood, or blood plasma**
- **Prescriptions directing parenteral use, as these are covered under the medical plan when Pre-Certified**
- **Minoxidil, Rogaine, unless determined by the Plan to be medically necessary**
- **Drugs labeled "Investigational Use" or "Experimental"**
- **Dietary supplements, anorexiant, diet pills and liquid diets**
- **Vitamins of any kind except vitamins included above**
- **Medication for cosmetic purposes**
- **Non-drowsy antihistamines**

Plan Designs for Active Employees

1. HF 250

2. HF500

3. HDHP

4. AHN – PPO

Plan Designs for Pre-65 Retirees

1. HF1000

2. HF 2500

3. HDHP

EXHIBIT 5

MAC LIST EXAMPLES

Please provide your Maximum Allowable Cost (“MAC”) price for the following
100 sample generics
as of 3/1/2024

Unit costs for these NDCs shall remain the same, plus no more than 10% on
the effective date of your Client Services Agreement

Selected vendor will be asked to reprice the same 100 NDC MAC List 90 days
prior to effective date of the new CSA

(See separate attachment)