Pharmacy Benefit Manager Audit Services RFP FAQs

Q. How long has Scriptcare been their PBM?
A. This information is included in the RFP.

Q. Can we have a test file of the data elements to run through our software? How will the eligibility file be provided? Will the eligibility file be provided in a CVS format?
A. This information will be provided to the selected vendor. Typically files are in the 834 file.

Q. When should we receive a copy of the plan documents, PBM contract?
A. This information will be provided to the selected vendor.

Q. Do you have a pass through contract?
A. This information will be provided to the selected vendor.

Q. What is your plan benefit structure?
A. Managed Medi-Cal.

Q. How will the list of medications be provided to indicate which tier it is in the formulary?
A. This information will be provided to the selected vendor.

Q. How are specialty drugs handled?
A. This would be part of the audit process.

Q. Do you do step down therapy?
A. This information will be provided to the selected vendor.

Q. Do you have a mail order offering?
A. It is offered.

Q. Do you want recommendations on how to modify formularies, on the execution of specialty process, on prior authorizations, on step down therapy, etc.?
A. Yes, it is part of the RFP request.
Q. Do you have the PBM's contracted rate and their blended effective rate for branded and for generic agents within your geographical region?
A. This information will be provided to the selected vendor.

Q. How many MAC lists does your PBM use nationally and the rationale for having more than one (1) list?
A. This information will be provided to the selected vendor.

Q. Do you have regular access to the MAC list applied to your specific plan?
A. This information will be provided to the selected vendor.

Q. Do you know your discount level for generic drugs not included on the MAC list applied to your plan?
A. This would be part of the audit.

Q. What is the methodology and frequency that the MAC list is updated?
A. This information will be provided to the selected vendor.

Q. Do you have the PBM's most recent performance figures for generic reimbursement in your geographic region that includes current MAC effective rates, and the average percent discount off the AWP for drugs processed by the MAC list that were applied to GCHP?
A. This information will be provided to the selected vendor.

Q. Do you have the percent of total frequency dispensed generic drugs represented on your MAC list?
A. This information will be provided to the selected vendor.

Q. Do you have the overall PBM generic utilization rate and percent of total filled for generics by classes (i.e., insulin, diabetic test strips, medical devices, OTC medications, compounds)?
A. This information will be provided to the selected vendor.

Q. What is the policy for establishing MAC pricing on new generics from multiple manufacturers?
A. This would be part of the audit.

Q. Do you have performance guarantees for the timing of MAC's price establishments on new generics?
A. This information will be provided to the selected vendor.

Q. What reference is used in determining AWP pricing for pharmacy reimbursement?
A. This information will be provided to the selected vendor.

Q. How will the approved rates be provided?
A. This information will be provided to the selected vendor.

Q. Please provide current procedures used. In addition, what resources, tools, do you have available to you to monitor the PBM data?
A. This is what we are looking for in the audit response.

Q. Which performance service standards do you use?
A. This information will be provided to the selected vendor.

Q. Please explain details to current prior authorization policy?
A. This information will be provided to the selected vendor.

Q. Be more specific in describing which credentialing practices you are questioning?
A. 1. What is the current written credentialing practices by the PBM?
   2. Do they follow their current credentialing practices, meaning do they conduct desktop and onsite audits as outlined in the process?
   3. Verify the review both onsite and offsite were conducted and any deficiencies identified resolved and documented.

Q. How do you provide eligibility information so that we can determine COB??
A. This information will be provided to the selected vendor – typically in an 834 Format.

Q. Have you secured full audit rights to the PBM’s actual acquisition of cost data and network pharmacy contracts?
A. This information will be provided to the selected vendor.

Q. The offeror should include comments and recommendations on how GCHP could improve internal procedures used to monitor the PBM’s performance. Please clarify.
A. These would be the recommendation provided as a result of the audit.
Q. The offeror must provide a comprehensive written report of comments, recommendations, and conclusions to GCHP concerning the requested audit services defined above. The report must be provided no later than TBD. Please advise when you will clarify TBD.
A. This information will be provided to the selected vendor.

Q. Could we have a sample of their data to help us project ROI?
A. This information will be provided to the selected vendor.

Q. Are points awarded for value added services?
A. Yes, if added services are of value to GCHP.

Q. Please confirm that the word “commended” should read “commenced”?
A. Yes.

Q. Why is the average per member per member cost trend $36.15 to $28.12 in 1 month? What was done differently? What happened?
A. This information will be provided to the selected vendor.

Q. How many members are filling scripts monthly?
A. This information will be provided to the selected vendor.

Q. Annualized Rx per 100,000 members went from 10,279 in January to 8,620 in June. What changed - prior authorization process different, population difference?
A. This information will be provided to the selected vendor.

Q. What has health care costs done during this period of time?
A. This information will be provided to the selected vendor.

Q. Turnover rate of the population of lives?
A. This information will be provided to the selected vendor.
Q. Can you outline the demographics of your population? Age, sex, and top medical conditions?
A. Below are GCHP’s demographics requested.

Plan’s Members by Age

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>Member Numbers (2011)</th>
<th>Member Numbers (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20</td>
<td>65,873</td>
<td>69,746</td>
</tr>
<tr>
<td>21-64</td>
<td>31,080</td>
<td>32,132</td>
</tr>
<tr>
<td>65+</td>
<td>14,624</td>
<td>14,502</td>
</tr>
</tbody>
</table>

Plan’s Members by Sex

<table>
<thead>
<tr>
<th>Sex</th>
<th>Member Numbers (2011)</th>
<th>Member Numbers (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>49,891</td>
<td>52,215</td>
</tr>
<tr>
<td>Female</td>
<td>61,682</td>
<td>64,158</td>
</tr>
<tr>
<td>Unknown</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

Plan’s Top 5 Health Diagnosis Based on In-patient Data

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Septic emia Nos</td>
<td>Septic emia Nos</td>
</tr>
<tr>
<td>2.</td>
<td>Rehabilitation Proc Nos</td>
<td>Pneumonia, Organism Nos</td>
</tr>
<tr>
<td>3.</td>
<td>Chronic Respiratory Fail</td>
<td>Antineoplastic Chemo Enc</td>
</tr>
<tr>
<td>4.</td>
<td>Subarachnoid Hemorrhage</td>
<td>Acute Respiratory Fail</td>
</tr>
<tr>
<td>5.</td>
<td>Immunotherapy Encounter</td>
<td>Chronic Respiratory Fail</td>
</tr>
</tbody>
</table>

Q. Does the electronic documentation held by GCHP have industry standard coding, such as NDCs, GCNs, GPIs? Or will the consultant be required to crosswalk drug names to these types of coding schemes for purposes of the claims audit programming?
A. This information will be provided to the selected vendor.

Q. If no documentation is available from GCHP, what will the PBM’s claim audit be evaluated against?
A. GCHP will provide all in house documentation. Selected vendor will develop evaluated audit process.
Q. Who is Script Care, Ltd.’s claims processor (i.e. the claims processing software/engine)?
A. This information will be provided to the selected vendor.

Q. We typically perform the claim audit electronically within our offices. We limit our on-sight visit(s) at the PBM to hard copy document and process verification. Is this GCHP’s mutual understanding?
A. GCHP will provide all in house documentation available to GCHP. Selected vendor will develop claims audit process with PBM.

Q. We generally share our results with the PBM to obtain their comments on the audit findings prior to finalizing the audit report. The PBM response is then included in the audit report to the client. Is this an allowable process for GCHP?
A. Yes.

Q. Are the pharmacy metrics supplied available by the various categories of aid? For example, Medi-Cal, SPD, Healthy Kids, Medi-Medi? Can we obtain these?
A. Yes.

Q. What specifically is being requested in regards the Fraud, Waste and Abuse audit and Poly Pharmacy audit? Is this a review of the PBM’s practices or is a separate FWA and poly pharmacy analysis being requested by consultant?
A. Both, as well as fraud analysis ran by the vendor to identify potential fraud.

Q. Should RFP response quote other services beyond the claim audit?
A. No.

Q. Do the performance services standards referenced pertain to service level guarantees (i.e., average speed of answer, handling of member complaints) or claims processing guarantees (i.e., average generic dispensing rate, network discounts)?
A. This information will be provided to the selected vendor.