

Cost Proposal Requirements

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

#	COST PROPOSAL REQUIREMENT	VENDOR RESPONSE	VENDOR EXPLANATION
1	Vendor, including any subsidiaries, affiliates, agents, or subcontractors, shall not receive, directly or indirectly, any compensation, revenue, remuneration, incentive, or financial benefit in connection with Services provided under this Contract or relating to utilization of prescription drugs by Members from any source other than: (I) the Administrative Fees paid directly by the Plan; and (II) the Dispensing Fee paid to Affiliated Pharmacies. This prohibition applies to all forms of value arising from or attributable to this Contract, including but not limited to Rebates, discounts, fees, spread pricing, data licensing, administrative incentives, market share payments, or any other payments from manufacturers, pharmacies, rebate aggregators, or third parties.	Please select.	
2	All costs, fees, and guarantees proposed shall be firm and binding for the entire Contract term, including any optional renewal periods, and shall not be subject to adjustment for any reason except as explicitly provided in the Contract.	Please select.	
3	The fees listed in the STANDARD SERVICE FEES table encompass all costs associated with the Services described in Vendor's proposal, excluding only those Services explicitly designated as Optional Services. Unspecified fees and other expenses will not be paid by the Plan. Fees listed represent the maximum fees the Plan will pay.	Please select.	
4	Separate, itemized fees are provided for every service item included in the STANDARD SERVICE FEES table.	Please select.	
5	All individual fee components are self-supporting for stand-alone services.	Please select.	
6	Fees will be adjusted downward to reflect the removal of carved-out Services or any Service that the Plan elects to end, at any point in the Contract term.	Please select.	
7	All Optional Services have been explicitly identified in the Optional Services Table of the Vendor's Technical Requirements Response, including all the following: (I) A detailed description of the service. (II) Conditions for activation or applicability. (III) Any dependencies or limitations.	Please select.	
8	The Optional Services identified in Vendor's Technical Requirements Response represent a complete and exhaustive list of all Optional Services that the Plan could elect.	Please select.	
9	Fees for each Optional Service identified in the Optional Services Table of the Vendor's Technical Requirements Response have been separately and clearly listed in the OPTIONAL SERVICE FEES table. Unspecified fees and other expenses will not be paid by the Plan. Fees listed are the maximum fees the Plan would pay for the Optional Service listed.	Please select.	
10	If awarded the Contract for more than one module, the multi-module discount listed in the DISCOUNTS table will be applied to the total amount invoiced under RFP Section 4.2.1.	Please select.	
11	If Alternate Proposal (RFP Section 5.3.13 Claims Invoices – Module 1 Alternative Claims Funding Option) is accepted, the Retail Network fee in the ALTERNATE PROPOSAL FEE table will be charged in lieu of the Retail Network fee in the STANDARD SERVICE FEES table.	Please select.	
12	The Implementation Audit Allowance listed in the CREDITS AND ALLOWANCES table represents the maximum amount payable by the Plan to cover expenses associated with pre-implementation and/or post-implementation audits. This credit will be applied upon the Plan's submission of an invoice or other documentation of actual expenses incurred.	Please select.	
13	The Implementation Credit listed in the CREDITS AND ALLOWANCES table represents the maximum amount payable by the Plan to cover documented expenses directly associated with the implementation of Services. This credit is in addition to the Implementation Audit Allowance.	Please select.	

Cost Proposal Requirements

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

#	COST PROPOSAL REQUIREMENT	VENDOR RESPONSE	VENDOR EXPLANATION
14	Pricing applies to Paid Claims filled at retail pharmacies, regardless of whether the drug is designated as a Specialty Drug.	Please select.	
15	At the point-of-service, Vendor shall pass through 100% of negotiated discounts, fees and payments (including but not limited to dispensing fees, click fees, access fees, market share payments, and federal subsidies) with retail and 90-day retail network pharmacies (i.e., Vendor shall not retain spread or any other pharmacy payments as a revenue source).	Please select.	
16	The amount paid to a pharmacy will be the amount billed to the Plan, less any Member cost-sharing. (i.e. Vendor shall retain no retail spread).	Please select.	
17	No Vendor-imposed minimum charges will apply to any claims; there will be no minimum charge at retail pharmacies.	Please select.	
18	Dispensing Fees may only be paid to pharmacies solely to reimburse the actual costs associated with dispensing a prescription drug to a Member on a Paid Claim.	Please select.	
19	Dispensing Fees shall not apply to claims reimbursed at Usual and Customary where Usual and Customary is the limiting factor under lesser-of logic.	Please select.	
20	Dispensing Fees that are paid lower than the Maximum Dispensing Fee Guarantees shall be passed through to the Plan.	Please select.	
21	Financial Guarantees are provided in the RETAIL NETWORK GUARANTEES table.	Please select.	
22	Pricing is based on a broad national retail network that includes all major national and regional pharmacy chains.	Please select.	
23	Retail 90 pricing applies to Paid claims with a day supply of 84 and greater. Retail 30 pricing applies to Paid claims with a day supply of less than 84.	Please select.	
24	Discounts achieved that exceed the Minimum Effective Discount Rate Guarantees will be passed through to the Plan. Dispensing Fees that are paid lower than the Maximum Dispensing Fee Guarantees are also passed through to the Plan; Therefore, the financial guarantees are the minimum discount rates the Plan will achieve and the maximum Dispensing Fees the Plan will pay.	Please select.	
25	Vendor shall secure all financial guarantees with dollar-for-dollar penalties such that the Plan shall be made whole if Vendor's actual performance fails to meet the guaranteed level on a dollar-for-dollar level.	Please select.	
26	Vendor shall measure and report to the Plan annually actual performance for all guarantees and pay the Plan one hundred (100%) of any shortfall within forty-five (45) days of each annual period with the Plan retaining one hundred (100%) of any additional savings achieved.	Please select.	
27	Each Guarantee shall be reconciled independently on a stand-alone basis; in no event will over performance from one guarantee be used to offset under performance of another Guarantee.	Please select.	
28	Vendor shall provide quarterly and annual reporting within ten (10) State Business Days on year-to-date performance compared to the Guarantees.	Please select.	
29	For purposes of Financial Guarantees, Brand Products shall be defined as all drugs and supplies with a valid NDC that meet all of the following criteria: (I) Medi-Span Multi-Source Code of "M", "N", or "O"; (II) Medi-Span Brand Name Code of "T"; and (III) DAW Code that is not 3, 4, 6, or 9. For the avoidance of doubt, Brand Products may include, but are not limited to, vaccines, medical devices, kits, diabetic supplies, OTCs, and test strips that meet the specified criteria.	Please select.	

Cost Proposal Requirements

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

#	COST PROPOSAL REQUIREMENT	VENDOR RESPONSE	VENDOR EXPLANATION
30	For purposes of Financial Guarantees, Generic Products shall be defined as all drugs and supplies with a valid NDC that do not meet the definition of Brand Product as defined above. For the avoidance of doubt, Generic Products may include, but are not limited to, vaccines, medical devices, kits, diabetic supplies, OTCs, and test strips that meet the specified criteria.	Please select.	
31	Once a product has been deemed a Brand Product it must be considered a Brand Product for purposes of all Financial Guarantees, including, but not limited to, AWP discounts and dispensing fees. Once a product has been deemed a Generic Product it must be considered a Generic Product for purposes of all Financial Guarantees, including, but not limited to, AWP discounts and dispensing fees.	Please select.	
32	<p>Minimum Brand and Generic Effective Rate Guarantees shall be reconciled separately by drug type (Brand vs. Generic) and channel (Retail 30 vs. Retail 90), with no cross-subsidization between types or channels, as follows:</p> <p>(I) The reconciliation formula is $1 - (\text{Aggregate Ingredient Cost} \div \text{Aggregate Undiscounted AWP})$, where Aggregate Ingredient Cost is the sum of the Ingredient Costs for all eligible claims and Aggregate Undiscounted AWP is the sum of the AWP's for those claims.</p> <p>(II) Aggregate Ingredient Cost shall be calculated prior to any Member payments (copayments, coinsurance, selection penalties, or other Member-paid amounts). Reconciliation shall be based solely on the full Ingredient Cost without regard to the Plan/Member payment split. Zero Balance Claims shall be included.</p> <p>(III) Aggregate Ingredient Cost shall be calculated prior to any Manufacturer-derived funds (including copay assistance, coupons, or any other pharma-funded discount programs), which shall be excluded entirely and shall not be used to offset underperformance.</p> <p>(IV) Aggregate Undiscounted AWP shall be the AWP of the exact 11-digit NDC dispensed; use of Average AWP is prohibited.</p> <p>(V) All Paid Claims shall be included, except those on the Discount Guarantee Exclusion List below:</p> <ul style="list-style-type: none"> (a) Compounds (b) Paper Claims (c) Secondary payer (COB) claims (d) Vaccines (e) Claims filled at a military pharmacy or pharmacy of Veterans Affairs (f) Claims priced to the Plan at a 340B price 	Please select.	
33	Claims excluded from guarantees will be priced as described under DISCOUNT GUARANTEE EXCLUSION LIST PRICING in the RETAIL NETWORK GUARANTEES table. Claims excluded from guarantees shall be priced reasonably and in accordance with prevailing market rates. Under no circumstance shall excluded claims be priced in a manner that results in excessive or unjustified costs to the Plan.	Please select.	
34	Vendor shall ensure that the Ingredient Cost for each Paid Claim does not exceed the applicable NADAC rate for the dispensed NDC. Vendor shall include NADAC rates in the claim line detail data provided to the Plan. Vendor shall credit Plan 100% of any overpayment (any Paid Claim where ingredient cost exceeds NADAC on the date dispensed) within 45 days of quarterly true-up. "NADAC" shall mean the National Average Drug Acquisition Cost published weekly by the Centers for Medicare & Medicaid Services.	Please select.	
35	The Maximum Dispensing Fee Guarantees provided in the RETAIL NETWORK GUARANTEES table are the guaranteed maximum that will apply per Paid Claim.	Please select.	

Cost Proposal Requirements

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

#	COST PROPOSAL REQUIREMENT	VENDOR RESPONSE	VENDOR EXPLANATION
36	<p>11) Maximum Dispensing Fee Guarantees shall be reconciled separately by drug type (Brand vs. Generic) and channel (retail 30-day vs. retail 90-day), with no cross-subsidization between types or channels, as follows:</p> <p>(I) The reconciliation formula is Aggregate Dispensing Fees ÷ Number of Eligible Claims, where Aggregate Dispensing Fees is the sum of the Dispensing Fees for all eligible claims and Number of Eligible Claims is the total count of those claims.</p> <p>(II) Aggregate Dispensing Fees shall be calculated prior to any Member payments (copayments, coinsurance, selection penalties, or other Member-paid amounts). Reconciliation shall be based solely on the full Dispensing Fee without regard to the Plan/Member payment split. Zero Balance Claims shall be included if a Dispensing Fee was charged.</p> <p>(III) Manufacturer-derived funds (including copay assistance, coupons, or any other pharma-funded discount programs) shall be excluded entirely from Aggregate Dispensing Fees and shall not be used to offset underperformance.</p> <p>(IV) Aggregate Dispensing Fees shall be determined by date of service.</p> <p>(V) All Paid Claims, including Zero Balance Claims, shall be included, except those on the Dispensing Fee Guarantee Exclusion List below:</p> <ul style="list-style-type: none"> (a) Compounds (b) Paper Claims (c) Secondary payer (COB) claims (d) Vaccines (e) Claims filled at a military pharmacy or pharmacy of Veterans Affairs (f) Claims priced to the Plan at a 340B price (g) Claims where no Dispensing Fee was paid (e.g. Usual and Customary) 	Please select.	
37	Generic Dispensing Rate (GDR) Guarantees provided in the RETAIL NETWORK GUARANTEES table shall be defined as the number of Paid Claims for Generic Products divided by the total number of Paid Claims.	Please select.	
38	If the Generic Dispensing Rate Guarantee is not met the penalty shall be calculated as: {(Average Ingredient Cost per Brand Paid Claim - Average Ingredient Cost per Generic Paid Claim) multiplied by (GDR Guarantee – Actual GDR) multiplied by total Paid Claims}.	Please select.	
39	<p>All underwriting assumptions have been listed in the Underwriting Assumptions table, including assumed biosimilar and generic pipeline (2026-2028) and detailed trend assumptions for key categories:</p> <ul style="list-style-type: none"> - Diabetes Insulin - Diabetes Oral Agents - Diabetes GLP-1s - Autoimmune - Multiple Sclerosis - Asthma/COPD 	Please select.	

Cost Proposal Requirements

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

#	COST PROPOSAL REQUIREMENT	VENDOR RESPONSE	VENDOR EXPLANATION
40	Vendor agrees to bear 100% of the risk associated with its underwriting assumptions and shall have no right to adjust guarantees if actual experience deviates from forecasts, including due to: (I) Market conditions; (II) Pharmacy reimbursement changes; (III) Formulary changes; (IV) Patent expirations; (V) Changes in drug utilization mix; or (VI) Impacts from legislation, such as the American Rescue Plan Act (ARPA) and the Inflation Reduction Act (IRA).	Please select.	
41	Vendor agrees to bear 100% of the risk associated with: (I) Compliance with all applicable state-level pricing requirements (II) Manufacturer pricing adjustments related to Average Manufacturer Price (AMP) Cap legislation (impacted drugs listed in the AMP Cap tab). There will be no offsets to financial guarantees via any credit, implied discount, or other mechanism due to manufacturer price reductions for these drugs.	Please select.	
42	Pharmacy contracting changes, such as cost-plus contracting (e.g. CVS's CostVantage), or other initiatives to recalibrate reimbursement, improve dispensing margins, or improve retail pharmacy economics, shall not be considered a market event, pricing condition, or basis for any adjustment.	Please select.	
43	Vendor shall have no unilateral right to modify any financial terms during the Contract term. In the event of a material change in federal or state law or regulation that directly and unavoidably impacts the Vendor's ability to perform under the agreed financial guarantees, the parties may negotiate in good faith a modification to services, reimbursement rates, and/or administrative fees solely to restore the parties to their relative economic positions prior to the event. Any proposed modification must be initiated by the Vendor in writing, with detailed evidence of the qualifying event and its impact and requires the Plan's express written approval. For clarity, no modification shall increase the Plan's costs or reduce its benefits unless explicitly agreed by the Plan in writing.	Please select.	
44	Vendor shall share 100% of pharmacy audit recoveries with the client.	Please select.	
45	Vendor shall not require a security deposit.	Please select.	

Administrative Fees and Credits**VENDOR NAME***Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.*

STANDARD SERVICE FEES	Contract Year 2028	Contract Year 2029	Contract Year 2030	Option Year 2031	Option Year 2032	Fee Basis
Pharmacy Network Management						Per Member Per Month
Claims Adjudication & Processing						Per Member Per Month
Medicare Part B Coordination of						Per Member Per Month
Enrollment & EDI Management						Per Member Per Month
Utilization Management Integration &						Per Member Per Month
Pricing Integration & Maintenance						Per Member Per Month
Customer Service Operations						Per Member Per Month
Account Management						Per Member Per Month
Data Access & Routine Reporting						Per Member Per Month
Claims Operations & Appeals						Per Member Per Month
Standard Data Files & Reporting						Per Member Per Month
Implementation Fee						Total amount, payable in monthly increments during Implementation Period
Ad-Hoc Reports						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.

DISCOUNTS	Discount	Discount Basis
Standard Services Fees - Multi-Module Discount		% of Total Module 1 Standard Service
Standard Services Fees - Multi-Module Discount		% of Total Module 1 Standard Service
Standard Services Fees - Multi-Module Discount		% of Total Module 1 Standard Service
Other Discount - Please Describe		
Other Discount - Please Describe		

OPTIONAL SERVICE FEES	Contract Year 2028	Contract Year 2029	Contract Year 2030	Option Year 2031	Option Year 2032	Fee Basis
Retiree Drug Subsidy						Please select a drop-down option.
Point-of-Sale Rebate Administration						Please select a drop-down option.
Vaccine Administration						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.
Other - Please Describe						Please select a drop-down option.

Administrative Fees and Credits

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

CREDITS AND ALLOWANCES	CREDIT AMOUNT	CREDIT BASIS
Implementation Audit Allowance		One-time allowance, expressed as total dollar amount
Implementation Credit		Maximum one-time credit, expressed as total dollar amount

ALTERNATE PROPOSAL FEE	Contract Year 2028	Contract Year 2029	Contract Year 2030	Option Year 2031	Option Year 2032	Fee Basis
Pharmacy Network Management - Alternate Proposal						Per Member Per Month

SAMPLE

Retail Network Pricing

VENDOR NAME

Instructions: Please complete all yellow shaded cells in this worksheet. Where drop down options are available, use the arrow to the right.

RETAIL NETWORK GUARANTEES		Retail 30 (<84 Days Supply)	Retail 90 (84-90 Days Supply)
Network Name			
Number of Pharmacies in Network			
Minimum Brand Effective Discount Rate Guarantee , as AWP - X%			
Contract Year 2028			
Contract Year 2029			
Contract Year 2030			
Option Year 2031			
Option Year 2032			
Minimum Generic Effective Discount Rate Guarantee , as AWP - X%			
Contract Year 2028			
Contract Year 2029			
Contract Year 2030			
Option Year 2031			
Option Year 2032			
Maximum Brand Dispensing Fee Guarantee , per Paid Claim			
Contract Year 2028			
Contract Year 2029			
Contract Year 2030			
Option Year 2031			
Option Year 2032			
Maximum Generic Dispensing Fee Guarantee , per Paid Claim			
Contract Year 2028			
Contract Year 2029			
Contract Year 2030			
Option Year 2031			
Option Year 2032			
Generic Dispensing Rate Guarantee , as % of total number Paid Claims			
Contract Year 2028			
Contract Year 2029			
Contract Year 2030			
Option Year 2031			
Option Year 2032			
DISCOUNT GUARANTEE EXCLUSION LIST PRICING		Detailed Explanation of Pricing	
Compounds			
Paper Claims			
Secondary payer (COB) claims			
Vaccines			
Claims filled at a miliary pharmacy or pharmacy of Veterans Affairs			
Claims priced to the Plan at a 340B price			
RETAIL NETWORK PRICING UNDERWRITING ASSUMPTIONS			

AMP Cap Drug List	
Effective Date 1/1/2025	
1.	ATROVENT
2.	JANUVIA
3.	JANUMET
4.	NEXAVAR
5.	SPIRIVA
Effective date occurred during 2024	
6.	ADVAIR
7.	APIDRA
8.	ASMANEX
9.	HUMALOG
10.	HUMULIN
11.	INSULIN – ASPART
12.	INSULIN - GLARGINE
13.	LANTUS
14.	LEVEMIR
15.	NOVOLIN
16.	NOVOLOG
17.	ORFADIN
18.	RELION NOVOLIN
19.	RELION NOVOLOG
20.	SYMBICORT
21.	VICTOZA