

ATTACHMENT O -2: MODULE 2 TECHNICAL REQUIREMENTS RESPONSE**A. Response to Technical Evaluation Questions****Instructions:**

Vendor must respond to all questions and each part and subpart to each question in this Attachment O-2: Module 2 Technical Requirements Response. Vendor's response to each question must follow the corresponding question. The Vendor must confirm adherence to and describe its approach to meet the requirements of the Contract as indicated. This includes providing a detailed narrative, diagrams, exhibits, examples, sketches, description literature and/or detailed information specifically tailored for the Plan to demonstrate Vendor's ability to meet specifications of the PBM RFP. The Vendor's Response to Technical Evaluation Questions should clearly indicate the citation and/or location of exhibits, attachments, flows, etc. that supplement responses to this Module 2 Technical Requirements Response and demonstrate understanding and the ability to meet each specification. The Plan is not required to look for or consider information outside of the response for individual questions and requirements where the Vendor fails to clearly indicate the location of supplemental exhibits, attachments, flows, etc. Further, where indicated and applicable, Vendor must describe any limitations or issues it has with meeting the requirements of the Contract within its response to the Technical Evaluation Questions. While the Plan has not set page limits for responding to each question, Vendors should be mindful to avoid providing superfluous information that unnecessarily lengthens the response. The Plan reserves the right to validate information provided within Vendor's response.

Corporate Background and Conflicts of Interest

Evaluation Question – Corporate Background	
1.	Vendor shall provide a description of the company, its operations and ownership. The description must include the following information: <ul style="list-style-type: none">a. Name, address, telephone number, fax number, and email address of the legal entity with whom the contract is to be written;b. Description of corporate structure and legal status;c. List of board of trustees or board of directors, as may be applicable, and their organizational affiliations.

Vendor's Response:

Evaluation Question – Background Checks

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| 2. | Vendor must confirm that it will meet the requirements set forth in Section 4.7 Background Checks and disclose the information requested in subsections a)- e). |
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☐ Confirmed

☐ Not Confirmed

Vendor's Response:

Evaluation Question – Conflicts of Interest

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| 3. | Vendor must confirm that it will meet the requirements set forth in Section 4.16 Conflict of Interest and disclose the information requested in subsections a) - f). |
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☐ Confirmed

☐ Not Confirmed

Vendor's Response:

Account Management

Evaluation Question – 100% Dedicated Resources	
4.	<p>Vendor must confirm that it will provide a dedicated team, i.e. 100% of its time is on the Plan's account as required in Section 6.3.1.2.1.a. The team must include, at a minimum, the following roles:</p> <ul style="list-style-type: none">a. Account Managerb. Project Manager(s)c. Clinical Advisor <p>Describe the resources, including experience, that will be provided to the Plan, and approach to meeting the requirements set forth in Section 6.3.1.2.1.a.</p>
<p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>Vendor's Response:</p>	

Evaluation Question – Up to 50% FTE Resources	
5.	<p>Vendor must confirm that it will provide resources to the Plan on an as needed basis, up to 50% FTE as set forth in Section 6.3.1.2.1.b. The resources must include, at a minimum, the following roles:</p> <ul style="list-style-type: none">a. Account Executiveb. Data Managerc. Attorneyd. Privacy Officere. Trade Representative <p>Describe the resources, including experience, that will be provided to the Plan, and approach to meeting the requirements set forth in Section 6.3.1.2.1.b.</p>
<p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>Vendor's Response:</p>	

Evaluation Question – North Carolina Presence	
6.	The Plan prefers a Vendor with a strong North Carolina Presence. Describe which, if any, of the resources dedicated to the Plan and which operational facilities to be utilized for performance of the Contract, are located in North Carolina.
Vendor's Response:	

Evaluation Question - Compliance	
7.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.1.2.2. and describe its approach to meeting those requirements. Vendor must address each subsection of the requirement.
<div><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</div> <div>Vendor's Response:</div> <div>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</div> <div><input type="checkbox"/> Vendor has no limitations or issues.</div> <div><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</div>	

Evaluation Question –Transparency	
8.	<p>Vendor must confirm that it will meet the requirements set forth in Section 6.3.1.2.3.a. and describe its approach to meeting those requirements. In addition, Vendor must Provide the following information:</p> <p>Describe the earnings expectations for each of the following based on the Plan's utilization:</p> <ul style="list-style-type: none">• Formulary rebates• Market share rebates• Administrative fees• Educational/clinical program revenue Data sale revenue• Any other revenue from pharmaceutical manufacturers <p>If also bidding on Module 3, Vendor must describe how it will prevent rebate-driven formulary decisions that favor its own specialty pharmacy.</p>
<div><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</div> <p>Vendor's Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <div><input type="checkbox"/> Vendor has no limitations or issues.</div> <div><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</div>	

Evaluation Question –Transparency	
9.	Vendor must confirm its agreement with the Plan’s authority in Section 6.3.1.2.4. and describe its approach to meeting the requirements for implementing the list described in a. - i. in accordance with Plan directions and documents.
<div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed </div> <p>Vendor’s Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Formulary Management

Evaluation Question – Formulary Requirements	
10.	<p>Vendor must confirm that it will meet the requirements set forth in Section 6.3.2.2.1 and describe its approach to meeting each of the subsections of the requirement. Include in the response:</p> <ul style="list-style-type: none"> • Vendor’s methodology for assessing clinical benefit, cost-effectiveness, clinical value, and quality of evidence when evaluating treatments for inclusion on a formulary. • The research sources your organization consults. • The methodology used to determine inclusion on the Formulary.

	<ul style="list-style-type: none"> The individuals involved in this review and their respective roles including their research, clinical, and financial qualification.
<div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed </div> <p>Vendor's Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Evaluation Question – Proposed Initiatives	
11.	<p>To further address the requirements for section 6.3.2.2. the Plan is requesting Vendor to propose two (2) specific initiatives for consideration to demonstrate how the Vendor will support the Plan in managing its formulary, coverage policies, and rebate management. The Plan values a partner that is willing to work collaboratively and flexibly to accommodate the Plan's clinical and financial objectives. The Plan may wish to make significant formulary changes during the life of the contract that may impact the amount of rebates collected in pursuit of a formulary that delivers the lowest net cost of treating any given condition, rather than one that maximizes rebates.</p> <p>Using the Plan's current custom formulary and the paid prescription claims provided, provide up to five (5) strategic formulary and utilization management recommendation. If implemented, each recommendation should:</p>

1. Improve or maintain member health outcomes for the given indication relative to the Plan's current formulary;
2. Reduce the Plan's net pharmacy spend by a minimum of one percent (1%) (approximately \$10 million) annually;
3. Limit member disruption as much as possible; and
4. Facilitate a seamless transition and provide support for those members who are disrupted.

The initiatives must include the following key components to be identified in the Attachment A-2 - Module 2 Cost Proposal Response as indicated in the Cost Proposal Instructions that will apply should the Plan implement the recommendation(s):

1. An adjustment to the rebate guarantees; and
2. A net savings guarantee.

Describe each proposed initiative using attached excel spreadsheet labeled Exhibit O-2-1: Strategic Formulary and Utilization Management Initiatives – Detail Worksheet. Use the following instructions and definitions for the proposal:

Two (2) tables are being provided in Exhibit O-2-1 to be populated for each proposed initiative. Table (A) Drug products included in the proposed initiative and Table (B) Projected Market Share Changes resulting from the Proposed Initiative. For each proposed initiative provide the information in the cells beneath the blue headers and insert additional rows as needed. Cell values in column headings shaded in grey (WAC values) will be populated by the Evaluation Committee at the time of evaluation.

Table "A": Using the Plan's data, insert the drug names, NDC/GPI numbers, number of prescriptions (Rxs), Quantity/units, and number of utilizing members for the drugs included in the proposed initiative. A baseline annualized cost (expressed in WAC) will be determined by the Evaluation Committee.

Table "B": Provide a detailed description of the proposed initiative in the "Description of Proposed Initiative" box provided. Provide modeling that reflects the estimated market share shifts from the proposed initiative and populate the following columns:

- Drug Name/Strength
- NDC
- Number of prescriptions (# Rxs)
- Quantity
- Estimated number of Utilizing Members

- Projected Rebate Impact
- Additional administrative fees if applicable

The Evaluation Committee will determine a projected Annual cost impact from the information provided.

Under “Vendor response” below, provide a detailed description of the proposed initiatives, including the approach used to achieve the projected results (i.e. exclusion, steerage to alternative(s), quantity limits, etc.), the indication or class of drugs targeted, or other important elements of the initiative. Specify whether continuation of therapy/grandfathering is recommended and/or any other conditions that could impact overall savings. Finally, provide a description of the rationale used to support the initiative such as:

- Clinical evidence used to demonstrative equivalent or improved member health outcomes;
- Formulary placement of all relevant NDCs;
- Utilization management tools and criteria required to achieve targeted savings;
- All assumptions underlying targeted savings, including disease prevention and projected utilization as a result of initiative;
- Potential barriers to effective implementation or to achieving savings, and proposed solutions to ensure address them (e.g., appropriate medical exceptions/appeals criteria, benefit exclusions, necessary changes to medical pharmacy or other benefits, etc.);
- Measures Vendor would take to minimize member disruption, prevent delays in care, address adverse events or outcomes, and ensure seamless transitions (e.g., member and provider outreach and communications);
- Any other relevant information.

The following definitions shall apply to any proposed initiative:

- Annual Baseline Cost – determined in Table “A” (expressed as Wholesale Acquisition Cost – WAC) based on the drug list provided, the projected WAC will be determined by the Evaluation Committee.
- Projected Annual Total WAC from Proposed Initiative – Based on Vendor’s modeling assumptions and entries into Table B, this value will be determined by the Evaluation Committee
- Estimated Number (#) of Impacted Members – number of unique utilizing members impacted, by drug, associated with the initiative.
- Projected rebate impact – Vendor to determine the estimated impact on Total Rebates from the proposed initiative.

	<ul style="list-style-type: none">• Additional Administrative Cost (if any) – additional administrative fees associated with the initiative.• Projected Net Annual Value from proposed initiative – net value will be determined by assessing the difference between the Baseline Annual WAC and Projected Annual WAC (including the impact of projected rebate impact and additional administrative fees). This value will be determined by the Evaluation Committee.• Net Savings Guarantee Amount – Amount the Vendor is willing to put at risk to guarantee that the recommendation(s) provided are realized, expressed as a percentage of administrative fees.
<p>Vendor's response:</p>	

Evaluation Question – Rebate Modeling and Forecasting	
12.	<p>Vendor shall describe its process for rebate modeling and forecasting of a proposed formulary change. Include in the description the turnaround timeline, data elements, model outputs, and frequency modeling. Response must also include an example that illustrates the process and includes all necessary assumptions, data, and other information.</p>
<p>Vendor's response:</p>	

Evaluation Question – Trend Management	
13.	<p>For each of the following indications, justify Vendor’s recommended formulary including all FDA approved classes of medications that would deliver cost savings to the Plan while maintaining or improving member health outcomes. Identify the largest drivers of cost, propose formulary and utilization management tools, including step therapy and/or prior authorizations utilizing generic/biosimilar medications first, as well as quantity limits where applicable that would address these drivers of cost, and demonstrate, in detail, how this would deliver cost savings and maintain or improve member health outcomes.</p> <p>Indications:</p> <ul style="list-style-type: none">• Plaque Psoriasis• Atopic Dermatitis• Type 2 Diabetes• Acute/Chronic Migraine
<p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>Vendor’s Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

14.	<p>Describe how Vendor would implement an exclusive biosimilar strategy. Vendor must include the following in its description:</p> <ul style="list-style-type: none"> • Examples of how vendor successfully implemented adalimumab and ustekinumab biosimilars on its formulary, include specific dates highlighting when the biosimilar product was added, when the reference product was excluded, strategies used to provide outreach to members and providers, and biosimilar transition percentage at three (3) months, six (6) months, twelve (12) months post implementation. • Details on how Vendor ensures biosimilar product selection has sufficient availability and can withstand the Plan's Member utilization. • Explain how Vendor would approach implementing a biosimilar product that is not interchangeable with the reference product.
<p>Vendor's Response:</p>	

Evaluation Question – Biosimilars	
15.	<p>For the following classes in which a biosimilar opportunity exists, provide formulary positioning for the innovator brand and the biosimilar(s) taking into account the Plan's preference for low cost Biosimilars:</p> <ul style="list-style-type: none"> • Humira (adalimumab) • Stelara (Ustekinumab) • Lantus, Lantus Solostar (insulin glargine) • Novolog (Insulin aspart) • Neupogen (filgrastim) • Neulasta (pegfilgrastim) Epogen, Procrit (epoetin alfa) • Xolair (omalizumab) • Rituxan (rituximab) • Avastin (bevacizumab)

	<ul style="list-style-type: none"> • Herceptin (trastuzumab) • Lucentis (ranibizumab) • Actemra IV (tocilizumab) • Remicade (infliximab) • Tysabri (natalizumab)
<p>Vendor's Response:</p>	

Pharmacy and Therapeutics Committee

Evaluation Question – Pharmacy and Therapeutics Committee	
16.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.3.2.1.
<p>a. Automatically block new drugs entering the market from inclusion on the Plan's formulary. Vendor shall notify the Plan of new drugs entering the market in a timely manner and provide all necessary clinical and financial information to evaluate them for formulary inclusion/exclusion and placement.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>b. Through its Clinical Advisor, present changes and respond to questions at the Plan's P&T Committee meetings.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>c. Support the Plan in gathering the information required to present to the P&T Committee and have the Formulary updated as requested for new to market drugs that the Plan determines should be moved to the Formulary off cycle.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	

d. Provide the Plan's Clinical Pharmacist with all UM programs applied to medications deferred or rejected by the Plan or the Plan's P&T Committee.

☐ Confirmed

☐ Not Confirmed

e. Provide the necessary clinical information required to inform the P&T Committee of the proposed changes approximately one quarter prior to the scheduled P&T meeting. This information includes but is not limited to, formulary change type, therapeutic category, FDA approved indication(s), rationale, proposed tier, current utilizers, clinical alternatives (available on/off the formulary), current utilizers of clinical alternatives, drug monographs, manufacturer package inserts, and proposed UM programs. Provide the Plan with the list of individuals involved in this review and their respective roles including their research and clinical qualifications. The final process with corresponding timeline will be developed during the implementation and memorialized via an ADM.

☐ Confirmed

☐ Not Confirmed

f. As roles change over time, continue to provide the Plan with the list of individuals involved in this review and their respective roles including their qualifications.

☐ Confirmed

☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Utilization Management

Evaluation Question: UM Program Customization	
17.	Vendor must confirm that it will meet the requirements of Section 6.3.4.2.1. and describe its approach to meeting the requirements. Vendor must address each subsection within the requirement.
<div><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</div> <p>Vendor's Response:</p>	

Evaluation Question – Recommendation for Improvement	
18.	Based on Vendor's review of the Plan's prescription drug experience, provide recommendations for improvement, including drugs recommended for exclusion, step therapy, quantity limits and prior authorization. Response must include, at a minimum, the following metrics for each recommendation: 1) estimated annualized total savings, 2) member impact, 3) rebate impact, 4) fees, and 5) net cost impact.
Vendor's Response:	

Evaluation Question	
19.	<p>Vendor shall provide the following:</p> <ul style="list-style-type: none"> a. Average approval percentage for UM programs, include figures for both specialty and non-specialty medications. b. Based on the Plan's current UM programs, provide two examples of creative UM ideas the Plan should implement. For each of the examples provide: <ul style="list-style-type: none"> 1) How many members would be impacted 2) What the proposed savings are with these changes including financial and rebate impact. 3) Description of how the Vendor would successfully implement the changes including timeline as well as communication to members and providers. 4) Based on historical data of implementing the proposed changes with organizations comparable in member size to the Plan, what percentage of members would be successfully transitioned to Vendor's UM program? What percentage of members would attempt to appeal? c. At least two examples of established UM programs provided to clients to combat off-labeled use of highly utilized medications. Examples should include the class of medications, specific UM changes implemented, and metrics detailing how the implemented changes affected client utilization.
<p>Vendor's Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Audits and Other Review Requirements

Evaluation Question – General Audit Requirements	
20.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.5.2.1. Vendor shall:
<p>a. Support the use of the Plan's Audit Vendor to conduct audits for the Plan. This includes providing the audit vendor access to all of Vendor's financial records including manufacturer contracts, claims data, MAC List used to adjudicate the Plan's claims, remittance data, reports, and other information required to verify transparency and meet contractual terms.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>b. Not limit the size of the claims sample reviewed by the Plan's Auditor which may include a review of one hundred percent (100%) of all claims for the period under review.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>c. Support the review of all contracts related to the Plan's Rebates as requested by the Plan or the Plan's Auditor. This includes contracts between a group purchasing organization, aggregator, or other third party which receives Rebates from pharmaceutical manufacturers.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>d. Support any audits that may be requested by the State's Auditors.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>e. Support multiple audits at one time. In the event the Plan requests additional audits outside of the Standard Audit and reviews, a notification of the audit will be directed to Vendor by either the Plan or the Plan's Auditor.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	

- f. Deploy the appropriate resources to ensure there is no delay in any audit requested by the Plan. If Vendor causes any delays, upon escalation by the Plan, Vendor shall immediately deploy additional resources to get the audit back on the timeline.

☐ Confirmed☐ Not Confirmed

- g. Initiate claim data transmission to the Plan's Auditor in a format and frequency mutually agreed upon by the Plan and the Plan's Auditor that shall support the audits.

☐ Confirmed☐ Not Confirmed

- h. Submit a reply to quarterly audits within fourteen (14) days after the final report/audit issued by the Plan's Auditor.

☐ Confirmed☐ Not Confirmed

- i. Submit a reply to annual audits within forty-five (45) days of the final report/audit being issued by the Plan's Auditor.

☐ Confirmed☐ Not Confirmed

- j. Make any adjustments, payments, and/or reimbursements determined to be necessary within thirty (30) days of audit close-out.

☐ Confirmed☐ Not Confirmed

- k. Not limit the size of the claims sample reviewed by the Plan's Auditor which may include a review of one hundred percent (100%) of all claims for the period under review.

☐ Confirmed☐ Not Confirmed

- l. Comply with quarterly audits of such systems, processes, and procedures, to be determined during implementation, in order to ensure timely, accurate, and appropriate invoicing of Rebates associated with Plan utilization, as well as reasonable and appropriate resolution of any manufacturer disputes of invoiced rebates.

☐ Confirmed☐ Not Confirmed

- m. Reimburse the Plan any amount overpaid to retail pharmacies.

☐ Confirmed☐ Not Confirmed

- n. Remit to the Plan any adjustments, payments, and/or reimbursements determined to be necessary as a result of any review or audit within thirty (30) days of execution of an appropriate release document covering said period.

☐ Confirmed☐ Not Confirmed

- o. Annually as part of the audit process as requested by the Plan, represent to the Plan that Vendor, group purchasing organization, aggregator or other third party has not collected any Rebates, fees, payments, grants, or other revenue from pharmaceutical manufacturers pursuant to this Contract other than that to which the Plan is entitled and which Vendor has passed-through to the Plan pursuant to the Contract.

☐ Confirmed☐ Not Confirmed

- p. Support and enable the Plan's right to and use of a third-party auditor to conduct audits at the Plan's expense and reviews of Rebates and Equitable Adjustments.

☐ Confirmed☐ Not Confirmed

- q. Support review by the Plan, and the Plan's Auditor, of all relevant records for verification of Rebates and Equitable Adjustments, including contracts involving subcontractors, group purchasing organizations, aggregators, or pharmaceutical manufacturers or other third parties, consistent with the

terms of the Contract. All items listed in the definition of Rebate are fully auditable by the Plan and the Plan's Auditor.

☐ Confirmed

☐ Not Confirmed

- r. Shall not redact information applicable to the audit from contracts selected for review or otherwise limit the scope of the review in any way.

☐ Confirmed

☐ Not Confirmed

- s. Upon the Plan's request, Vendor shall provide a general description of any redacted information and the reasons for the redactions

☐ Confirmed

☐ Not Confirmed

- t. If an audit or review determines and the Parties agree that the impact of an Equitable Adjustment exceeds the actual Significant Rebate Loss caused by the Qualifying Plan Action or Qualifying , then Vendor shall repay the amount by which the impact of the Equitable Adjustment exceeded the actual Significant Rebate Loss to the Plan within thirty (30) calendar days of the Plan's written notice sent after the audit.

☐ Confirmed

☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Evaluation Question – Standard Quarterly and Annual Audits	
21.	<p>Vendor must confirm that it will meet the requirements set forth in Section 6.3.5.2.2. Vendor shall:</p> <p>a. Work with the Plan during Contract implementation to develop the audit schedule and claims files transmissions for the Standard Audits, which will include rebate and pricing guarantee audits. These Audits will be conducted on an ongoing basis, with an interim quarterly report and a final annual report.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>b. Support quarterly audits without interruption for the duration of the Contract. The first one will commence in Quarter two of 2028 for claims processed between January 1, 2028 through March 31, 2028. The ongoing process will be documented in an ADM and the file requirements will be captured in a Business Requirement Document.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>

Evaluation Question – Standard Quarterly Reviews	
22.	<p>Vendor must confirm that it will meet the requirements set forth in Section 6.3.5.2.3. and confirm its willingness to support each of the following:</p>

Vendor shall support the Plan's ability to conduct the types of reviews outlined below and any other review that may become necessary, as determined by the Plan, during the lifetime of the Contract.

☐ Confirmed

☐ Not Confirmed

- a. Net Cost Review that reports the net cost of the top 25 rebate-eligible drugs by Plan net spend against appropriate benchmarks, as requested by the Plan. Such benchmarks may include drug-class or condition-specific average treatment costs, generic or biosimilar costs, peer Plan average costs, or others. The review would:

- 1) Calculate Plan net costs for top 25 rebate-eligible drugs, including brand-name, specialty, biologic, biosimilar, and any other rebate-eligible drug using claims data, actual earned rebates, and guaranteed minimum rebates. Plan net costs must be separately reported as net of guaranteed minimum rebates and net of actual rebates earned independent of guarantees.

☐ Confirmed

☐ Not Confirmed

- 2) Compare top 25 rebate-eligible drugs by Plan net spend against drug-class or condition-specific averages, generic or biosimilar therapeutic equivalents, NADAC, WAC, ASP, or other benchmarks, as appropriate, using Plan pharmacy claims and rebates.

☐ Confirmed

☐ Not Confirmed

- 3) Identify opportunities to promote utilization of clinically appropriate, cost-effective therapeutic alternatives, including generics and biosimilars, in place of any high-cost and/or high-rebate drugs, unless such utilization is justified by medical necessity, among the top 25 rebate-eligible drugs by Plan.

☐ Confirmed

☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

- ☐ Vendor has no limitations or issues.
- ☐ Vendor has limitations or issues as described in the following response:

Financial Transparency Requirements

Evaluation Question – Financial Requirements	
23.	<p>Vendor must confirm that it will meet each requirement set forth in Section 6.3.6.2.1. For subsection f., describe how this has worked with other clients. For subsection g., provide an example that illustrates the process and includes all necessary assumptions, data, and other information.</p> <p>Vendor shall:</p>
<p>a. Provide full disclosure regarding the existence of all rebates, payment incentives, and/or pricing concessions that may exist with its assignees, delegates, subsidiaries, and affiliates, including, but not limited to, any clinical programs, disease management programs, compliance initiatives, therapeutic interchange programs, patient education programs, and consultant/physician education programs. All rebate reports shall be broken down by rebate category.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>b. Provide full disclosure of all Rebates.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	

- c. Provide Plan with unredacted copies of all books, records, and Rebate agreements directly or indirectly related to this Contract or utilization of prescription drugs by Members, including those maintained by Vendor's intermediaries, subsidiaries, subcontractors, affiliates, wholesalers, or other third parties, within five (5) State business days of Plan request.

☐ Confirmed☐ Not Confirmed

- d. In order to ensure independent formulary evaluation and decision making, identify, disclose, and take all reasonable measures to mitigate conflicts of interest, including those arising from wholly owned subsidiaries, parent companies, affiliates, or other entities with whom Vendor maintains ongoing financial relationships, including, but not limited to, group purchasing organization arrangements, retail, specialty, or mail-order pharmacies, and other entities or potential sources of industry revenue related to Vendor's Contract with the Plan.

☐ Confirmed☐ Not Confirmed

- e. Provide periodic reporting that details the ongoing nature of the above disclosures and mitigation measures, including any changes to Vendor's organizational structure or to the nature or extent of any relationships with affiliates, group purchasing organization arrangements or ownership, whether whole or partial, as well as any changes to, or difficulties in successfully carrying out, the measures Vendor has taken to prevent or mitigate any potential conflicts of interest.

☐ Confirmed☐ Not Confirmed

- f. Allow the Plan to participate in Vendor's negotiations with manufacturers as requested by the Plan. Include a description how this has worked with other clients in the response section below.

☐ Confirmed☐ Not Confirmed

- g. Provide rebate modeling and forecasting for proposed formulary and plan design changes, including turnaround timeline, data elements, model outputs, and frequency of modeling. Vendor shall provide all information needed to reasonably substantiate such modeling and forecasting, including any assumptions underlying projections and estimates with detail, specified at the NDC-level where feasible, or grouped by active ingredient, strength, and dosage form in NDC-level data is impractical. Provide an example that illustrates the process and includes all necessary assumptions, data, and other information.

☐ Confirmed☐ Not Confirmed

- h. Work collaboratively with the Plan to negotiate Rebate contracts in a manner consistent with the Plan's clinical and financial goals, including with regard to formulary exclusions, tier placement, utilization management tools, programs, and any relevant clinical or other applicable criteria.

☐ Confirmed☐ Not Confirmed

- i. Hold rebate contracts in the United States.

☐ Confirmed☐ Not Confirmed

- j. Not have any Rebate contract preventing the Plan from receiving manufacturer payments related to treatment outcomes, prescriber conversions, value-based outcomes, etc. where incentive are paid directly to the Plan.

☐ Confirmed☐ Not Confirmed

- k. Accurately allocate all Rebates received and remitted to the Plan and, in connection with the reporting hereunder, shall allocate the rebates at the NDC (National Drug Code) and drug name level, and at each applicable claim level, as required by the Plan. Such allocations will be provided in a file format directed by the Plan and be provided in conjunction with the remittance of rebates to the Plan in order to allow the Plan to accurately disburse rebates by account. Payment of rebates shall be accompanied with a report setting forth claim level information relating to the source of payment including the invoiced amount by manufacturer and the applicable account that generated the rebates.

☐ Confirmed☐ Not Confirmed

- l. Agree, the Plan retains the right to directly negotiate any type of pharmaceutical manufacturer contracts for Medical benefit drugs and outcome-based contracts for drugs paid under medical and pharmacy benefits. Vendor may provide opportunity to the Plan for consideration in these areas and the Plan has the option to adopt or continue to contract directly with manufacturer.

☐ Confirmed☐ Not Confirmed

- m. Provide Rebate reports at the individual claim and National Drug Code (NDC-11) level and include Claim cost and utilization information by accounts, formulary, pharmacy network channel (if applicable), and rebate rate type.

☐ Confirmed☐ Not Confirmed

Vendor's Response:

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.☐ Vendor has limitations or issues as described in the following response:

Rebates and Financial Guarantees

Evaluation Question – Vendor Contracts	
24.	Vendor must confirm that it will meet the requirements set forth in section 6.3.7.2.1:
<p>Vendor shall, and shall cause each group purchasing organization, aggregator or other third party which receives Rebates from pharmaceutical manufacturers on behalf of, or with respect to claims for drug utilization submitted by, Vendor to, contract in a manner that permits, at the Plan's discretion, for all Rebates received by each such group purchasing organization, aggregator or third party to be payable to Vendor and 100% passed-through to the Plan.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Evaluation Question – Rebates	
25.	Vendor must confirm that it will meet the requirements set forth in section 6.3.7.2.2: Vendor shall:
<p>a. Pay 100% of Rebates to the Plan regardless of drug status or classification (single-source brand, multi-source brand, generic, OTC, devices, etc.) of the product on which they were earned and including any Rebate amounts not</p>	

invoiced or calculated as a percentage of Wholesale Acquisition Cost (WAC) for a specific product.

☐ Confirmed

☐ Not Confirmed

- b. Not enter into any agreement that would reduce the value of Rebates to the Plan in exchange for purchase discounts or any other thing of value.

☐ Confirmed

☐ Not Confirmed

- c. Allow the Plan, or designated third-party, to conduct annual market assessments, otherwise known as Market Checks, prior to and during the Contract term to determine the continued competitiveness of administrative service fees, pricing terms, financial guarantees, and Rebate contracts to ensure that the Plan is receiving best-in-class pricing, taking into account factors such as plan size, utilization patterns, population mix, plan design, and service scope. If the Plan determines that pricing is less favorable than what is available in the competitive market, Vendor shall adjust the Plan's pricing to maintain best-in-class guarantees within ninety (90) days of the completion of the annual Market Check, retroactive to the beginning of the Contract year. Such adjustments may include, but are not limited to: (a) matching pricing terms offered to comparable clients in Vendor's book of business; or (b) providing pricing based on actual cost of goods (e.g., acquisition cost plus a fixed fee), if such terms are more favorable than current rates.

☐ Confirmed

☐ Not Confirmed

- d. Provide comments on the Market Check analysis within ten (10) State Business Days of receipt of the Market Check Report from the Plan or its designee.

☐ Confirmed

☐ Not Confirmed

- e. Support the Plan's ability to conduct a Market Check as outlined in Section 7.3.2.2.1.c. above and will agree to amend the Contract as needed to implement new pricing terms as agreed by the Parties.

☐ Confirmed

☐ Not Confirmed

- f. Agree that Vendor may request adjustments to minimum rebate guarantees only in the event of a Qualifying Plan Action or Qualifying Market Event that results in a Significant Rebate Impact.

☐ Confirmed

☐ Not Confirmed

- g. Vendor may request an Equitable Adjustment to Rebate guarantees only in the event of a Qualifying Plan Action or a Qualifying Market Event as defined in this RFP.

☐ Confirmed

☐ Not Confirmed

- h. Vendor shall comply with all requirements for requesting and providing documentation and financial modeling for Equitable Adjustments as defined in this RFP. Such requirements for each Request include:

- a. A clear and detailed explanation of how the Qualifying Plan Action(s) or Qualifying Market Event is/are expected to result in a change to Rebates meeting the definition of a Significant Rebate Impact;
- b. An updated annual projection of expected WAC on Brand Drug Paid Claims and amount of invoiced Rebates in total;
- c. All information needed to reasonably substantiate items (a) and (b) above, including any assumptions underlying projections and estimates with detail specified at the NDC-level where feasible, or grouped by active ingredient, strength, and dosage form if NDC-level data is impractical; and
- d. If applicable, all information needed to reasonably substantiate that the Qualifying Market Event deviates materially from projections and assumptions specified by Vendor and provided as part of Vendor's submission to this RFP.

☐ Confirmed

☐ Not Confirmed

- i. The Plan may request additional supporting information related to any request for an Equitable Adjustment, which Vendor shall provide within fourteen (14) calendar days. The Plan shall reasonably determine any Equitable Adjustment and notify Vendor of the adjustment amount. The Equitable Adjustment will be set at a level to account for the expected Significant Rebate Impact from the

Qualifying Plan Action(s) or Qualifying Market Event, as reasonably determined by the Plan, subject to verification and adjustment prior to the annual Rebate guarantee reconciliation process.

☐ Confirmed

☐ Not Confirmed

- j. The Plan shall review and recalculate each Equitable Adjustment based on actual experience for the Contract year and modify any Equitable Adjustments as necessary based upon that review. Any amounts owed to the Plan based on these modifications shall be paid without unreasonable delay. The Plan and Vendor shall execute an amendment to modify the Rebate guarantees accordingly. These modified Equitable Adjustments to the Rebate guarantees shall be used for the annual Rebate reconciliation.

☐ Confirmed

☐ Not Confirmed

- k. Only market events that a) deviate from pipeline assumptions provided as part of Vendor's proposal for Module 2, and b) directly result in a Significant Rebate Impact as a result of such deviation, shall meet the criteria of a Qualifying Market Event and therefore be eligible for an Equitable Adjustment to Rebate guarantees.

☐ Confirmed

☐ Not Confirmed

- l. Vendor shall provide a detailed report outlining pipeline assumptions and forecasts of top Brand Drug patent expirations and assumptions, as well as expected impacts of anticipated law and regulation changes.

☐ Confirmed

☐ Not Confirmed

- m. Vendor will provide any forecast concerns in a quarterly pipeline report and will meet with the Plan quarterly to discuss.

☐ Confirmed

☐ Not Confirmed

n. Vendor shall comply with all audit requirements relating to any Equitable Adjustments.

☐ Confirmed

☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Vendor Integration

Evaluation Question – Integration with other Plan Vendors	
26.	Vendor must confirm that it will meet each of requirements set forth in Section 6.3.8.2.1 and describe its approach to meeting the requirements. Vendor must address each subsection within the requirement.
<p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>Vendor's Response:</p>	

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Project Management & Integrated Testing

Evaluation Question – Initial Implementation Requirements

27.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.9.2.1 and describe its approach to meeting the requirements. Vendor must address each subsection within the requirement.
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☐ Confirmed

☐ Not Confirmed

Vendor's Response:

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Evaluation Question – Ongoing Testing & Implementation Requirements	
28.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.9.4.1 and describe its approach to meeting the requirements. Vendor must address each subsection within the requirement.
<div> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed </div> <p>Vendor's Response:</p> <p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <div> <input type="checkbox"/> Vendor has no limitations or issues. <input type="checkbox"/> Vendor has limitations or issues as described in the following response: </div>	

Data and Reporting

Evaluation Question – Data Files	
29.	<p>Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.2.1 Vendor shall:</p> <ol style="list-style-type: none"> Provide a custom Data File to the Plan on an interval to be determined during the implementation. While the file shall be based on the Vendor’s standard file format, addition custom items, such as, but not limited to, tier codes, may be required. The details of the file shall be documented in a Business Requirement Documents (BRD) similar to Exhibit Attachment 5, Pharmacy Benefit Manager Data Files BRD.
<p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	

- b. Provide a Data File that allows the Plan to identify 340B claims in the rebate invoicing and administration data. Vendor shall provide the Plan with all necessary information to monitor, audit, and reconcile 340B claims with any related financial guarantees, including rebate guarantees and other terms.

☐ Confirmed

☐ Not Confirmed

- c. Include reference files and data dictionaries with thorough field descriptions.

☐ Confirmed

☐ Not Confirmed

- d. Include a control file with each Data File, utilizing a SHA512 Hash Checksum algorithm to verify data integrity.

☐ Confirmed

☐ Not Confirmed

- e. Deliver files encrypted to the Plan's secure sFTP server.

☐ Confirmed

☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Evaluation Question – Data Access and Transparency	
30.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.3.1. Vendor shall:
<p>a. Have dedicated resources with subject matter expertise in data analytics, reporting, and modeling to support the Plan's needs during implementation and throughout the life of the Contract.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>b. Provide uncompromising visibility into all financial and operational relationships, including complete disclosure of all revenue streams and granular revenue reporting.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>c. Provide full, unredacted access to all financial, and operational data, including but not limited to claims files, financial records, pharmacy contracts, MAC lists, remittance data, rebate calculations, and utilization data.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Evaluation Question – Data matching and Identifier Requirements	
31.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.4.1. Vendor shall:
<p>a. Include consistent and complete identifiers in all Data Files that enable accurate matching of Plan Members and transactions across systems and data sources, including but not limited to the Plan's Third-Party Administrator (TPA), Enrollment and Eligibility Services (EES) vendor, and other Plan vendors.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>b. Use the unique member identifier provided by the Plan's EES vendor as the primary key for all member-level data and shall not substitute or overwrite this identifier with a vendor-generated ID.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>c. Ensure that all identifiers are consistently formatted and populated across all Data Files, including claims, eligibility, rebate, utilization management, and specialty pharmacy files.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>d. Provide a crosswalk or mapping file upon request to support reconciliation between vendor-specific identifiers and Plan-standard identifiers.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	
<p>e. Include in all Data Files and systems the identifiers needed to support cross-vendor and cross-file matching. The Plan recognizes that some of the identifiers listed below may not be transferred to Vendor 2. The final list will be determined during the implementation.</p> <ol style="list-style-type: none"> 1) Unique Member Identifier: The unique ID assigned by the Plan's EES vendor (not a vendor-generated ID). 2) Member SSN (if available and permitted): For matching legacy records and supporting audits. 3) Medicare Beneficiary Identifier (MBI): For Medicare primary members. 4) Group ID: To support group-level reporting and aggregation. 5) Plan Design ID: To distinguish between benefit structures. 	

- 6) Claim Number: Unique identifier for each claim, consistent across all files referencing the same transaction.
- 7) Transaction Control Number (TCN): If used, to support reconciliation across systems.
- 8) Date of Birth and Gender: For validation and matching where needed.
- 9) Enrollment Span ID or Effective Date: To align claims and eligibility records.
- 10) File Source and File Type Identifiers: To distinguish between file types and support audit trails.

☐ Confirmed☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Evaluation Question – Data Accuracy and Validation

32.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.5.
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1. Vendor shall perform and document accuracy testing for every Data File and report delivered, including:
 - a. Reconciling claims totals against corresponding invoices (total paid amounts must match within 0.5% variance; explanations required for deviations).
 - b. Reconciling claims totals against each financial guarantee.
 - c. Cross-checking enrollment data against source files for accuracy.
 - d. Providing evidence of testing (e.g., audit logs, reconciliation reports) with each submission or upon request within five (5) business days.

☐ Confirmed☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with meeting the requirements.

- ☐ Vendor has no limitations or issues.
- ☐ Vendor has limitations or issues as described in the following response:

Evaluation Question – Formulary and Financial	
33.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.6.
<p>1. Vendor shall provide custom formulary Data Files, including all restrictions, exclusions, and tier changes, as well as P&T Committee recommendations and documentation.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>The Vendor must describe any limitation(s) or issue(s) with the meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Evaluation Question – Retention and Access	
34.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.7.1. Vendor shall:
<p>a. Retain records for ten years from the date that services were provided.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>b. Provide access to such records and its facilities at any time during reasonable business hours during the ten-year holding period referred to above and agree to assist the Plan in the examination and assessment of such records.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p> <p>The Vendor must describe any limitation(s) or issue(s) with the meeting the requirements.</p> <p><input type="checkbox"/> Vendor has no limitations or issues.</p> <p><input type="checkbox"/> Vendor has limitations or issues as described in the following response:</p>	

Evaluation Question – Reporting	
35.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.10.8.1 and provide the following reports. Vendor shall:
<p>a. Provide quarterly and annual rebate reports by therapeutic category and manufacturer, down to the claim level, with sufficient detail to allow the identification of all types of revenue meeting the definition of Rebate, as well as minimum rebate guarantees.</p> <p><input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed</p>	

- b. Provide an NDC-level report on earned rebate dollars and all ancillary fees received from manufacturers for medications dispensed for the Plan, in addition to monthly and annual reconciliation reports.

☐ Confirmed☐ Not Confirmed

- c. Provide detailed, drug-level reporting on all utilization management operations data, including approvals, denials, alternate fills, and ultimate approval and denial statistics.

☐ Confirmed☐ Not Confirmed

- d. Provide utilization management reporting, including DUR, prior authorization activity, fraud/waste/abuse metrics, and UM data.

☐ Confirmed☐ Not Confirmed

The Vendor must describe any limitation(s) or issue(s) with the meeting the requirements.

☐ Vendor has no limitations or issues.☐ Vendor has limitations or issues as described in the following response:

Optional Services

Evaluation Question – Optional Services	
36.	List and describe any other optional Services described in Section 6.3.11.1. and 6.3.11.2. that Vendor can offer as part of this Contract, including any Conditional Services, by completing the table below. The Plan may elect to utilize one or more of these optional Services through the procurement process or an Amendment to the Contract. The pricing for any optional Service must be included in Vendor's Cost Proposal.

Optional Services Table:

Optional Service	Conditioned on Award of Multiple Modules- Yes or No. If yes, indicate which additional Module or Modules must be awarded to exercise the Option, e.g. Yes – Modules 2 and 3.	Description of Service. Include in the description any dependencies or limitations.	Projected Member utilization/participation in the Service

Transition of Services:

Evaluation Question	
37.	Vendor must confirm that it will meet the requirements set forth in Section 6.3.12.2. and describe its approach to meeting the requirements. Vendor must address each subsection within the requirement.
<input type="checkbox"/> Confirmed <input type="checkbox"/> Not Confirmed	

Vendor's Response:

The Vendor must describe any limitation(s) or issue(s) with the meeting the requirements.

☐ Vendor has no limitations or issues.

☐ Vendor has limitations or issues as described in the following response:

Multiple Module Efficiencies

Evaluation Question – Multiple module efficiencies. (Only respond if also bidding on Module 1 and/or 3.)

38. Identify and describe the benefits to the Plan if Vendor is awarded multiple modules under the procurement. Include in the response ways in which operations could be more efficient or effective, member experience could be improved, and how compliance with technical requirements would be impacted. Specifically identify which modules must be awarded to achieve the described benefit.

Vendor Response: