

**DCS and NYSIF Prescription Drug Programs
Re-pricing Instructions for Offeror's Re-Priced Claims File**

In support of the Offeror's proposed claim reimbursement quote presented in Exhibit V.A and V.D and in accordance with Section V of the RFP, each Offeror is required to present the effect of the Offeror's proposed AWP discount and dispensing fees on **DCS Program** drug claims paid during the period 11/12/2010 through 10/28/2011. Use the claim data file available to Offerors in accordance with Section III. PART G of this RFP (containing 1 record for each DCS Program drug claim paid during the 12 month period ending 10/28/2011), to re-price each prescription using your proposed reimbursement formula(e) for the Programs. In doing so, please assume:

1. All prescriptions are filled February 1, 2012; therefore, the AWP in effect on February 1, 2012 should be used;
2. All prescriptions are filled for the same enrollee type with the same drug, dosage, strength and quantity identified by the NDC and claim data file; do not assume any changes;
3. All prescriptions are filled at the same pharmacy indicated by the NPI; do not assume any changes, with the exception of prescriptions filled at the Mail Service Pharmacy or the Specialty Pharmacy; and
4. All re-priced claims should not be adjusted for sales tax or coordination of benefit savings.

Note: In order to simplify this re-pricing request, we have eliminated all the records associated with reversals, compound drugs, zero quantity claims, coordination of benefits claims, VA hospital claims and NYS Medicaid Program claims.

The Offeror is required to submit a re-priced claims file with their Cost Proposal using the Layout Specifications detailed in Exhibit V.B.1. The re-priced claims file should report the claims data originally provided by the Department along with the following nine additional fields at the end of each record:

Field 1 Pharmacy Type: Based on the Offeror's proposed Pharmacy Network and composition of drugs included in the Specialty Pharmacy Program, as well as the Pharmacy NPI and Specialty Program Participation Indicator included in the claims data file, code each record with one of the five pharmacy types: R = Retail Network Pharmacy, M = Mail Service Pharmacy, D = Direct Submit (Enrollee) Claim, N = Non-network Pharmacy), S = Specialty Pharmacy.

First, for all drugs proposed for the Specialty Pharmacy Program, the Offeror should enter "S" if the Specialty Program Participation Indicator (SPPI) is coded with "Y"; if SPPI is coded with N, then enter "M" in Field 1 if the NPI is one of the numbers below or "R" if the pharmacy is a participating retail pharmacy in your proposal.

For all other prescriptions (non-specialty), the Offeror should enter "M" in Field 1 if the NPI is one of the codes of the numbers below. For Direct Submit claims as indicated by the code "E" in the Provider_Class field, the Offeror should enter "D."

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- Field 1 (continued) For the remaining prescriptions, the Offeror should enter "R" if the pharmacy is a participating retail network pharmacy proposed by the Offeror or enter "N" if the pharmacy is not a participating retail network pharmacy proposed by the Offeror.
- Claims with the following Pharmacy NPI numbers are considered to be Mail Service Pharmacy Claims if the claim is not a Specialty Pharmacy Claim: 1275740474, 1346208949, 1417915653, 1528275724, 1548282510, 1972710176, 1184672883, 1184675910, 1205885175, 1407807191, 1710933007.
- Field 2 **Drug Type:** Based on the Offeror's proposed composition of the Flexible Formulary and the NDC of the drug included in the claims data file, code each record with one of the four drug types: 1 = Generic Rx, 2 = Preferred Brand Rx, 3 = Non Preferred Brand Rx, 4 = Excluded Rx.
- Field 3 **Therapeutic Category For Formulary:** For each claim record, enter the therapeutic category for the drug. The therapeutic category should be consistent with the category used in the development of the submitted formulary.
- Field 4 **AWP:** For each claim record, enter the AWP for the dispensed drug as of February 1, 2012, using the Offeror's proposed source of AWP (Redbook or MediSpan).
- Field 5 **Ingredient Cost:** Based on the Offeror's proposed Pharmacy Network and composition of drugs included in the Specialty Pharmacy Program, as well as the Pharmacy NPI and Specialty Program Participation Indicator included in the claims data file, enter the Offeror's proposed Ingredient Cost for the dispensed drug, following the instructions below:
- For proposed Pharmacies in your Retail Network, price all Brand drugs using the proposed pass-through pricing contracted with the Pharmacy. For Mail Service Pharmacy, price all Brand drugs using the proposed guaranteed AWP discounts for Brands. For Specialty Pharmacy, price all Brand drugs using the proposed guaranteed AWP discounts for Specialty Drugs.
- For proposed Pharmacies in your Retail Network, price all Generic drugs using the pass-through pricing in the Offeror's proposed Program MAC list, or if the Generic drug is not MAC'd, the contracted AWP discount for Brands. For Mail Service Pharmacy, price all Generic drugs using the pass-through pricing in the Offeror's proposed Program MAC list, or if the Generic Drug is not MAC'd, the proposed guaranteed AWP discount for Brands. For Specialty Pharmacy, price all Generic drugs using the proposed guaranteed AWP discount for Specialty Drugs.

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- Field 5 (continued) For Pharmacies that are not in your proposed Retail Network, price all Generics using the Minimum Guaranteed Discount proposed for all retail Generics. Price all Brands using the Minimum Guaranteed Discount proposed for all retail Brands.
- Field 6 **Dispensing Fee:** Based on the Pharmacy Type identified in Field 1 (above) as well as the NYS Generic Brand Code and NDC of the drug included in the claims data file, enter the Offeror's proposed dispensing fee, following the instructions below:
- For Pharmacy Type R, enter the Offeror's proposed pass-through dispensing fee contracted with the Pharmacy. For Pharmacy Type M, enter the Offeror's proposed guaranteed dispensing fee applicable to Brand or Generic drugs. For Pharmacy Type D or N, enter the Offeror's proposed Maximum Guaranteed Dispensing Fee applicable to Brand or Generic drugs. For Pharmacy Type S, enter the Offeror's proposed guaranteed dispensing fee applicable to the specific Specialty Drug.
- Field 7 **Co-payment:** Based on the Pharmacy Type identified in Field 1 and the Drug Type identified in Field 2 (above) as well as the three level benefit design of the Program specified in Exhibit II.C, enter the applicable co-payment. If the Total Claim Cost [Ingredient Cost (Field 5) plus Dispensing Fee (Field 6)] for any claim is less than the Plan co-payment amount, enter the Total Claim Cost. When the drug dispensed meets the criteria for generic enforcement as set forth in the RFP, enter the Level 3 (non-preferred) copayment amount, excluding any ancillary charge.
- Field 8 **Therapeutic Category For Pharma Revenue Agreements:** Enter the therapeutic Pharma Revenue classification system for negotiating pharma revenue agreements for each drug.
- Field 9 **GPI:** Offerors proposing to use Medispan as the source of AWP in Field 4 (above), enter the Medispan Generic Product Indicator (GPI) associated with the NDC dispensed. If proposing to use Redbook as the source of AWP in Field 4 and FDB for other prescription drug classification indices, leave this Field 9 blank.