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Section 6: Financial Proposal

6.1 General

1. Purpose

The purpose of this section of the RFP is to set forth the duties and responsibilities required of the Offeror as regards to its cost quotes and to pose questions (i.e., the information and documentation required under the Confirmations and Required Submissions sections) concerning those duties and responsibilities. The Offeror's Financial Proposal must contain responses to all questions in the format requested, as well as the financial attachments required in Section 6.3, below. The Financial Proposal evaluation will analyze the relative impact of each Offeror's Financial Proposal on the Programs' claims costs and administration costs and net savings that will result for the Offeror's Pharma Revenue Guarantee. Each Offeror may submit ONLY ONE Financial Proposal. Each Financial Proposal will be evaluated with the following goal in mind: the lowest possible total combined Program cost over the term of the Agreements resulting from this RFP while being responsive to the requirements of the RFP.

2. Informational Claim Data Files

To assist Offerors in the development of their Financial Proposal, the Procuring Agencies have produced informational claim data files containing claims paid for the period January 1, 2022, through December 31, 2023. The informational claim file data layouts for the DCS (Attachment 84, Layout Specifications for DCS Program Informational Claims Data File) and NYSIF (Attachment 85, Layout Specifications for NYSIF Program Informational Claims Data File) Programs can be obtained by prospective Offerors by following the instructions in Attachment 86, Informational Claims Files for DCS and NYSIF, which requires that Offerors have the latest version of the IBM Aspera Web Plugin (Aspera Connect) to use the application.

6.2 Evaluation Process – General

1. **The evaluation of Financial Proposals will be conducted by applying each Offeror's cost quotes to normalized claim data. In particular, the evaluation will involve the following:**

    a. **Analysis of the impact of proposed Guaranteed Discounts and dispensing fees, and the Offeror's per final paid claim Pharma Revenue Guarantee on combined Program claim costs;**

    b. **Analysis of the impact of the Offeror's proposed Claims Administration Fees for administering the Programs; and**

    c. **(Exclusive to DCS) Analysis of the impact of the Offeror's proposed Vaccine Administration Fees.**

6.3 Analysis of Financial Components

1. Financial Attachments to Complete

a. **The Offeror must complete the following financial attachments in strict accordance with the directions set forth in this RFP and submit them as part of their Financial Proposal:**

    i. **Attachment 83 - Proposed Claim Reimbursement Quote**
    ii. **Attachment 88 - Retail and Mail Service Pharmacy Generic Drugs – MAC List Costs per GPI**
    iii. **Attachment 89 - Specialty Pharmacy Program Dispensing Fees**
    iv. **Attachment 90 - Pharma Revenue Guarantee Quote**
    v. **Attachment 91 - Documentation to Support Pharma Revenue Guarantee Quote**
    vi. **Attachment 92 - Claims Administration Fee(s) Quotes**
    vii. **Attachment 93 - Vaccination Administration Fees**

2. Financial Attachments – Informational

a. The following attachments are provided for informational purposes in order to assist Offerors in submitting their Financial Proposal:

i. Attachment 84 - Layout Specifications for DCS Program Informational Claims Data File

ii. Attachment 85 - Layout Specifications for NYSIF Program Informational Claims Data File

iii. Attachment 86 – Informational Claims File for DCS and NYSIF (The Informational Claims Files for DCS and NYSIF can be obtained by following the instructions included in Attachment 86 and requires that Offerors have the latest version of the IBM Aspera Web Plugin (Aspera Connect) to use the application)

iv. Attachment 87 - Designated Specialty Pharmacy Identifiers

v. Attachment 88 - Retail and Mail Service Pharmacy Generic Drugs – MAC List Costs per GPI

vi. Attachment 94 - DCS "Brands Classified as Generics"

6.4 Claim Ingredient Cost - General

The Procuring Agencies require full transparency of claim ingredient costs in the Retail Pharmacy Network. The Offeror shall propose a Guaranteed Minimum Discount off of Aggregate AWP of all Brand Drugs dispensed through the Retail Pharmacy Network. The Offeror is required to propose a Guaranteed Minimum Discount off of Aggregate AWP of all Generic Drugs dispensed through the Retail Pharmacy Network and Mail Service Pharmacy Process. The Offeror shall propose a Guaranteed Discount off of AWP of Brand Drugs dispensed to Enrollees/Claimants through the Mail Service Pharmacy Process. The Offeror is required to propose a Guaranteed Minimum Discount off of Aggregate AWP of Specialty Drugs dispensed to Enrollees/Claimants through the Specialty Pharmacy Program. The Offeror must also propose a pricing methodology for Compound Drugs dispensed to Enrollees/Claimants that will be utilized for both Retail claims and Mail Service Pharmacy Process claims. The Offeror may exclude from all applicable retail pricing and dispensing fee guarantees specified in this Section, but not from Pharma Revenue Guarantees specified in Section 6.12: 100% Pharma Revenue Guarantee, any claims where the Contractor is required to comply with law or regulation which mandates that the claim is adjudicated according to a specific pricing methodology (e.g., National Average Drug Acquisition Cost) and/or with a specified dispensing fee, not contemplated under this RFP. This section sets forth the Program requirements related to those guarantees.

Confirmed.

1. Claim Ingredient Cost - General

a. All proposed discounts, dispensing fees and prescribing fee(s), if applicable, for Brand and Generic Drugs must be guaranteed for the entire term of the Agreements without qualification or condition. In addition, the Selected Offeror's proposed Compound Drug pricing methodology must be guaranteed for the entire term of the Agreements without qualification or condition.

Confirmed.

b. All proposed discounts and dispensing fees for Specialty Drugs apply only to Enrollees/Claimants who participate in and have drugs dispensed through the Specialty Pharmacy Program and must be guaranteed for the entire term of the Agreements without qualification or condition.

Confirmed.

c. The Contractor shall utilize the Medi-Span field coded R028 entitled "AWP unit price" as the source of Average Wholesale Price (AWP) information for purposes of calculating Ingredient Cost.

Confirmed.

d. During the term of the Agreements, in the event the Medi-Span reporting service changes its methodology related to any of the information fields used in the Procuring Agencies' classification of Brand and Generic Drugs, or its methodology for coding drugs in connection with these information fields, the Contractor shall be obligated to inform the Procuring Agencies in writing of such changes within 30 Days of learning of such changes. Upon written notification, the Contractor and the Procuring Agencies will meet and agree in writing to any Brand and/or Generic Drug classification changes that may be necessary to enable each to maintain the same economic position and obligations as are set forth in the Agreements.

Confirmed.

e. If, during the term of the Agreements, industry events have caused the Contractor's source of AWP to become obsolete or no longer available, the Procuring Agencies and the Contractor shall agree on revised pricing terms. In no event shall the Programs' actual costs for drugs increase as the result of new pricing terms. The Contractor shall notify the Procuring Agencies in writing as soon as any information indicating a problem with the future use of the Contractor's AWP source is received. Within two weeks of the initial notification, and no less than 120 Days prior to the effective date of any revision, the Contractor shall submit a detailed written proposal to the Procuring Agencies for effectively revising pricing terms including but not limited to a file containing the Contractor's pricing for all drugs dispensed during the prior six months utilizing the current AWP source and the Contractor's revised pricing for such drugs using the proposed methodology. The Contractor's Proposal should ensure continued alignment of the Contractor's interests with those of the Programs. In no event can the Contractor's Proposal deviate from the Programs' Lesser of Logic.

Confirmed.

f. To protect Enrollees/Claimants from disruption due to reclassification of drugs, during the term of the Agreements, and to assure that Offeror's Proposals are evaluated consistently, drugs shall be classified for pricing purposes in accordance with current Program Brand /Generic Drug classifications and in accordance with the definitions in the Glossary of Defined Terms (Attachment 15) of this RFP.

Confirmed.

g. Offerors must use the Programs current Brand/Generic classification methodology, which is primarily based on a particular set of Medi- Span indicators. The following methodologies shall be used by Offerors and will be used by the Procuring Agencies in their evaluation of Offerors' Proposals to determine the appropriate Brand/Generic Drug classification so as to comply with the contractual definitions set forth in the Glossary of Defined Terms (Attachment 15) of this RFP.

Confirmed.

i) Classification Methodology General

1) Drugs shall be classified for pricing purposes during the term of the Agreements in accordance with the Programs' classification determinations based on the definitions contained in Attachment 15, Glossary of Defined Terms, of this RFP. No later than November 15th of each Plan Year, the Contractor shall submit for the Programs' written approval a file containing all NDCs dispensed through the Program during the prior year and the classification of each NDC derived from application of the Contractor's electronic classification process. To the extent the Contractor's electronic process results in classifications inconsistent with the Programs' determinations, the Contractor commits to modify its classification methodology to replicate the results of the Programs' determination, including the steps set forth in 6.4.1(g)(i)(2) below. The Programs' determination shall be final.

Confirmed.

2) To the extent the electronic process fails to comprehensively replicate drug classifications consistent with the definitions of Brand and Generic Drugs set forth in Attachment 15, Glossary of Defined Terms, of this RFP, the Contractor agrees to modify to the extent possible its electronic processing system before January 1, 2025, including setting appropriate Copayment levels as required, and to undertake all other necessary manual steps to ensure that the result of the prescription processing process from a cost basis to both Enrollee and Plan is in accordance with the DCS determination of classification.

Confirmed.

3) The Contractor shall conduct a year end reconciliation each Plan Year to ensure that the claim amount charged to the Plan is in accordance with the definition of Brand and Generic Drugs set forth in the Glossary of Defined Terms (Attachment 15) this RFP. The reconciliation will include claims paid during the Plan Year and is to be completed by February 15th of the following year. If DCS's review of the Contractor's reconciliation indicates an adjustment is required, then DCS reserves the right to make an adjustment to the Contractor's submitted reconciliation. The Contractor shall credit or debit the Plan as applicable no later than 30 Days following the date of reconciliation and reflect the result in the Annual Financial Statement.

Confirmed.

ii) Brand Name Drug Determination Methodology

1) A drug labeled with the identifier "M" or "O" in the Medi-Span Multi-Source code shall be processed as a Brand Drug unless the same drug is identified as "G" in the Medi-Span Brand- Name code.

Confirmed.

2) In addition to drugs identified as "M" or "O" in the Medi-Span Multi-Source code, a drug that is identified as "N" in the Medi- Span Multi-Source code shall be designated a Brand Drug if the drug is identified as "T" in the Medi-Span Brand- Name code.

Confirmed.

iii) Generic Drug Determination Methodology

1) A drug identified as "Y" in the Medi-Span Multi-Source code shall be designated as a Generic Drug.

Confirmed.

2) In addition to drugs identified as "Y" in the Medi-Span Multi- Source code, a drug identified as "N" in the Medi-Span Multi- Source Code shall be designated as a Generic Drug if the corresponding Medi-Span Brand-Name code for such drug is "B" or "G."

Confirmed.

3) In addition, a drug identified as "G" in the Medi-Span Brand- Name Code shall be designated as a Generic Drug, regardless of the identifier designated in the Medi-Span Multi- Source code.

Confirmed.

4) As stated in the Glossary of Defined Terms (Attachment 15), no drug approved through an FDA Generic Drug approval process, including any FDA approval process established for approving generic equivalents of biologic drugs, shall be processed as a Brand Drug regardless of the assigned Medi- Span indicators or the result of the Offeror/Contractor's proposed methodology for determining the appropriate classification of a drug. Furthermore, the DCS Program classifies a small list of drugs as Generic Drugs that are classified by Medi-Span as Brand Drugs (see Attachment 94, DCS Brands Classified as Generic Drugs). The drugs listed in Attachment 94, DCS "Brands Classified as Generics," must be classified as Generic Drugs during the term of the agreement with DCS, unless a change to the list is requested by DCS in writing.

Confirmed.

5) Attachment 76 Current Brand-Generic Classification presents a listing of the NDC's dispensed to DCS Program Enrollees/Claimants in 2023 and the required brand name/generic drug classification assigned to each NDC.

Confirmed.

iv) Compound Drug Determination Methodology

1) A Compound Drug is a drug with two or more ingredients (solid, semi-solid or liquid), where the primary active ingredient is an FDA approved Covered Drug with a valid NDC requiring a Prescription for dispensing, combined together in a method specified in a Prescription issued by a medical professional. The end result of this combination must be a Prescription medication for a specific patient that is not otherwise commercially available in that form or dose/strength from a single manufacturer. The Prescription must identify the multiple ingredients in the Compound, including active ingredient(s), diluent(s), ratios or amounts of product, therapeutic use and directions for use. The act of compounding must be performed or supervised by a licensed Pharmacist. Any commercially available product with a unique assigned NDC requiring reconstitution or mixing according to the FDA approved package insert prior to dispensing will not be considered a Compound Prescription by the Programs.

Confirmed.

h. The Selected Offeror shall be required to submit a file containing the NDC's dispensed to Enrollees/Claimants in 2023 and the resulting brand/generic classification of each NDC derived from application of the Contractor's electronic classification process. If, at that time, the Procuring Agencies determine that the Selected Offeror's proposed classification methodology does not replicate the results of the Programs' methodology for determining the brand name/generic classification of drugs, the Selected Offeror must modify its classification methodology to replicate the results of the Programs' methodology, either automatically through the claims adjudication system or through an annual claims reconciliation process. The Procuring Agencies determination shall be final.

Confirmed.

i. The Programs' Lesser of Logic, as defined in the Glossary of Defined Terms (Attachment 15), shall apply to all claims processed under the Programs.

Confirmed.

2. Claim Ingredient Cost - General

a. Offerors must confirm their agreement to perform/fulfill and comply with the Duties and Responsibilities contained within Section 6.4.1 "Claim Ingredient Cost - General" above including, but not limited to:

i. The guarantee that all discounts, dispensing fees and prescribing fee(s), if applicable, shall remain in effect during the entire term of the Agreements, without qualification or condition;

ii. Pricing for Specialty Drugs shall apply only to Enrollees/Claimants who participate in and fill a prescription through the Specialty Pharmacy Program. Specialty Drugs for all other Enrollees/Claimants and/or claims shall be priced using the Offeror's proposed pricing for retail and mail service drugs;

iii. AWP will be determined by Medi-Span utilizing the field coded R028 entitled "AWP unit price;"

iv. Confirmation that if the Procuring Agencies determine that industry events have caused the Contractor's proposed source of AWP to become inflated against new industry standards, obsolete, or unavailable, the Contractor agrees to negotiate revised pricing terms ensuring that the Programs' actual costs for drugs in no event increase as the result of new pricing terms, in accordance with Section 6.4.1(e) above;

v. Drugs will be classified as brand name, generic, or compound consistent with Section 6.4.1(g) above;

vi. Prescriptions shall be processed consistent with the Programs' classification of drugs on an NDC basis. Confirmation that, if selected, the Offeror agrees to submit a file containing the NDC's dispensed to Enrollees/Claimants in 2023 and the resulting brand/generic classification of each NDC utilizing the Offeror's proposed methodology for determining the brand name/generic classification of drugs. Confirmation that, if the Procuring Agencies determine that the Offeror's proposed classification methodology does not replicate the results of the Programs' methodology for determining the brand name/generic classification of drugs, the Offeror shall agree to modify its classification methodology to replicate the results of the Programs' methodology either automatically through the claims adjudication system or through an annual claims reconciliation process; and

vii. Applying the Programs' Lesser of Logic to all claims.

Confirmed.

3. Required Submission – Claim Ingredient Cost - General

b. Confirm the Offeror's agreement to utilize the Medi-Span field coded R028 entitled "AWP unit price" as the source of AWP information for calculating Ingredient Cost.

Confirmed.

6.5 Mandatory Generic Substitution at Retail and Mail

Encouraging utilization of cost-effective clinically equivalent Generic Drugs is an integral component of the Programs' benefit design. To promote the use of Generic Drugs, the Programs have a mandatory generic substitution requirement that mandates that FDA approved A-rated Generic Drugs and authorized Generic Drugs be substituted for equivalent Brand Drugs or the Enrollee/Claimant pays the applicable Level 3 Drug Copayment plus an "Ancillary Charge." Under the NYSIF Program, there are no Copayments or Ancillary Charges collected from the Enrollee/Claimant. The Selected Offeror must apply this requirement on a consistent basis at the retail network pharmacies and through the Mail Service Pharmacy Process.

1. Duties and Responsibilities: Mandatory Generic Substitution at Retail and Mail

To ensure strict adherence to the Programs' Mandatory Generic Substitution Requirement and protect the financial interests of the Programs, the Contractor shall be required to:

a. Apply mandatory generic substitution to all specific NDC's (active or inactive) of Brand Drugs for which there is an FDA- approved A-rated Generic Drug (including but not limited to, Generic Drugs rated AA, AB, AN, AO, AT, etc.) or an authorized Generic Drug as permissible by NYS law. Retail network pharmacies shall comply with all state laws related to mandatory generic substitution. The Programs' mandatory generic substitution provisions shall apply to any claim where the A-rated or authorized Generic Drug is required or permitted to be substituted under state law. Mandatory generic substitution provisions will not apply to B-rated or unrated Generic Drugs or in the unlikely event that state law prohibits dispensing of the A-rated or authorized Generic Drug.

Confirmed.

b. (Exclusive to DCS) Establish the Ancillary Charge by calculating the difference in the Discounted Ingredient Cost of the Brand Drug and the Discounted Ingredient Cost of the equivalent A-rated Generic Drug or authorized Generic Drug based on the Programs' MAC List price assigned when a Brand Drug for which an A-rated or authorized Generic Drug has been introduced in the market is dispensed to the Enrollee. In such cases, the Enrollee shall be responsible for paying the applicable Level 3 Drug Copayment plus Ancillary Charge not to exceed the cost of the drug to the DCS Program. The Ancillary Charge shall be assessed even in the event a doctor has specifically directed a Pharmacist to dispense the Brand Drug rather than the A- rated or authorized Generic Drug through DAW notation. The Ancillary Charge does not apply if a DAW Exception Request is approved by the Plan; however, the enrollee must pay the applicable non-preferred copayment.

Confirmed.

c. Monitor the pharmaceutical industry on behalf of the Procuring Agencies to identify Generic Drugs expected to enter the market. Prior to the actual introduction of the Generic Drug to market, the Contractor shall inform the Procuring Agencies of anticipated shipping dates of the first generic introduced into the market for one or more strengths of a particular Brand Drug.

Confirmed.

d. (Exclusive to DCS) Following the first shipment of a first NDC for a Generic Drug for one or more strengths of a particular Brand Drug (i.e., MAC Alerts are required for new NDCs of new GPIs and for new NDCs for GPIs already on the MAC List), the Contractor shall be required to:

i. Inform the Department as soon as practicable but in no event later than fourteen (14) Days during normal Business Hours after the first date of shipment, (from manufacturer to wholesaler or retailer) of the financial impact of enforcing mandatory generic substitution

via the "MAC Alert Notice" detailed in Sections 3 and 5 of this RFP under "Reporting Services;"

Confirmed.

ii. For those drugs that will result in a lower net cost to the Programs by enforcing mandatory generic substitution, the Contractor shall provide the "MAC Alert Notice" as described in (a) above. The Contractor shall add the GPI to the Programs' MAC List (if the GPI is not on the Programs' MAC List already) and begin enforcement as soon as practicable but in no event later than fourteen (14) Days during normal Business Hours after the first date of shipment provided that the participating retail network pharmacies are able to obtain the Generic Drug;

Confirmed.

iii. For those drugs that could potentially result in a higher net cost to the Programs by enforcing mandatory generic substitution, the Contractor shall provide the "MAC Alert Notice" as described in (a) above. The Contractor shall also notify the Department whether the drug should be included in the Brand for Generic strategy. The Department, in its sole discretion, may determine that enforcement is contrary to the best financial interests of the Programs and shall inform the Contractor whether Mandatory Substitution shall be applied. If the Contractor does not receive a formal response to the information provided via the "MAC Alert Notice," enforcement shall commence, and the GPI shall be added to the Programs' MAC List (if the GPI is not on the Programs' MAC List already) effective on the 21st Day after shipment of the first A-rated generic equivalent drug or authorized Generic Drug provided that the pharmacies are able to obtain the Generic Drug. In the event the Department decides to exercise its discretion not to enforce mandatory generic substitution, the Contractor shall apply MAC pricing to the Generic Drug when dispensed;

Confirmed.

iv. To assist the Department in determining whether or not mandatory generic substitution should be enforced within 21 Days, the Contractor shall survey its Retail Pharmacy Network to identify the pharmacies that are unable to obtain the new Generic Drug within 21 Days. The Contractor shall submit this information to the Department and provide any additional information as required by the Department to reach a determination. The DCS, in its sole discretion, shall determine based on such evidence how the Programs' mandatory generic substitution provisions will be applied. The Programs will not consider, and the Contractor shall not act on availability information provided by third party sources, including but not limited to Medi-Span;

Confirmed.

v. For preferred Brand Drugs for which an A-rated or authorized Generic Drug has been introduced into the market for one or more strengths of a Brand Drug, the status of the Brand Drug shall be changed from preferred to Non-Preferred status concurrent with the commencement of the enforcement of mandatory generic substitution. Enrollees prescribed strengths of the Preferred Brand Drug for which an A-rated or authorized Generic Drug has been introduced shall receive the Generic Drug and be charged the Level 1 Copayment. If the prescribing Physician requires that the Brand Drug be dispensed, the Enrollee will be charged the applicable Level 3 Drug Copayment and Ancillary Charge. Enrollees prescribed strengths of the preferred Brand Drug for which no A-rated or authorized Generic Drug has been introduced shall continue to receive the prescribed drug at the applicable Level 2 Copayment and mandatory generic substitution provisions shall not apply;

Confirmed.

vi. For Non-Preferred Brand Drugs for which an A-rated or authorized Generic Drug has been introduced into the market for one or more strengths of a Brand Drug, the status of the Brand Drug shall remain Non-Preferred for all strengths. Concurrent with enforcement of mandatory generic substitution, Enrollees prescribed strengths of the Non-Preferred Brand Drug for which an A-rated or authorized Generic Drug has been introduced shall receive the Generic Drug and be charged the Level 1 Copayment. If the prescribing Physician requires that the Brand Drug be dispensed, the Enrollee will be charged the applicable Level 3 Drug Copayment and Ancillary Charge. Enrollees prescribed strengths of the Non-Preferred Brand Drug for which no A-rated or authorized Generic Drug has been introduced shall continue to receive the prescribed drug at the applicable Level 3 Drug Copayment and mandatory generic substitution provisions shall not apply; and

Confirmed.

vii. The Contractor shall cause the dispensing Network Pharmacy to inform the Enrollee prior to dispensing the Brand Drug, that an Ancillary Charge would be applied in addition to the applicable Level 3 Drug Copayment. If the prescribing Physician requires the Brand Drug be dispensed, the Contractor shall cause the dispensing Network Pharmacy to collect the applicable Level 3 Drug Copayment plus the calculated Ancillary Charge. However, under no circumstances shall the Enrollee's total cost exceed what the actual cost of the Brand Drug would have been to the DCS Program after application of the Programs' Lesser of Logic provisions.

Confirmed.

e. Charge the Programs based on the Programs' MAC List price assigned to the GPI of the dispensed Brand Drug plus the applicable dispensing fee plus the prescribing fee(s), if applicable, as set forth in this section of the RFP;

Confirmed.

f. Receive written approval from the Procuring Agencies for any and all exceptions to the Programs' mandatory substitution provisions, beyond the approval of specific generic appeals or approval through the Medical Exception Program. Following commencement of mandatory generic substitution, the Contractor must receive Procuring Agencies' written approval prior to suspending enforcement of the Programs' mandatory generic substitution provisions;

Confirmed.

g. Maintain an electronic claims processing system capable of obtaining information from Network Pharmacies to ensure consistent enforcement of the Programs' mandatory generic substitution provisions. In particular, the claims processing system must be capable of capturing information concerning the availability of the Generic Drug at the Network Pharmacy submitting the electronic claim. If a Generic Drug is available to be dispensed by the Network Pharmacy, the Programs' mandatory generic substitution rules shall be applied. If the Network Pharmacy does not have the A-rated or authorized Generic Drug in stock, mandatory generic substitution provisions will not apply and the Enrollee/Claimant shall receive the Brand Drug, be charged the applicable Generic Drug Copayment and the Plan charged based on Generic Drug pricing. Currently, the Programs reject, with appropriate messaging, claims for Brand Drugs subject to mandatory generic substitution that are submitted with a DAW 0-code and require resubmission of the claim (since a DAW 0- code provides no indication of Generic Drug availability in the Network Pharmacy). Similar rules can be applied to other DAW submission codes as necessary to ensure consistent, accurate application of the Programs' mandatory generic substitution requirements.

Confirmed.

2. Confirmation - Mandatory Generic Substitution at Retail and Mail

a. Confirm the Offeror's agreement to perform/fulfill and comply with the Duties and Responsibilities contained within this Section 6.5 "Mandatory Generic Substitution at Retail and Mail" section above.

Confirmed.

6.6 Retail Pharmacy Network Claims

a. The cost of all Covered Drugs dispensed at network pharmacies shall be charged to the Programs consistent with the requirements set forth in this RFP, including but not limited to the Lesser of Logic and Pass- through Pricing set forth in Section 6.4.1(i) and in the Glossary of Defined Terms (Attachment 15). Under no circumstances may the Enrollee be charged costs not specifically provided for under the Plan benefit design.

Confirmed.

A. General Provisions

The following general provisions apply to all claims submitted by Retail Pharmacy Networks:

1. Duties and Responsibilities - Retail Pharmacy Network Claims - General

a. The Contractor shall ensure that the Network Pharmacy collects the appropriate Copayment (plus Ancillary Charge, if applicable) specified in Attachment 27 DCS/NYSIF Prescription Drug Program Copayment Matrix, from the Enrollee/Claimant and will charge the Programs the Discounted Ingredient Cost as determined through the application of the Lesser of Logic set forth in Section 6.4.1(i) and in the Glossary of Defined Terms (Attachment 15) plus the Contractor's applicable pharmacy contracted dispensing fee, plus the prescribing fee(s), if applicable, minus the applicable Copayment for all drugs dispensed through a Network Pharmacy.

Confirmed.

b. (Exclusive to DCS) If the current Discounted Ingredient Cost plus the dispensing fee plus the prescribing fee(s), if applicable, or the submitted cost is less than the applicable Copayment, then the Contractor shall ensure that the Network Pharmacy charges the Enrollee the lesser amount.

Confirmed.

c. The Contractor shall implement a control process at point of service intended to protect the Programs from any inflated AWP costs associated with "repackaged" drugs charged to the Programs.

Confirmed.

2. Confirmation – Retail Pharmacy Network Claims - General

a. Confirm the Offeror's agreement to perform/fulfill and comply with the Duties and Responsibilities in Section 6.6.A of this RFP, under subheading "General Provisions."

Confirmed.

3. Required Submission – Retail Pharmacy Network Claims - General

a. The Offeror is required to describe the process it proposes to utilize to ensure that the Programs' financial interests are protected from any inflated AWP costs associated with "repackaged" drugs charged to the Program.

At the Programs' request, we can block retail claims submitted with repackaged National Drug Codes (NDCs). This practice enables our retail network pricing logic to be based on originator NDCs only.

For retail, home delivery and specialty prescriptions, AWP is based on the actual package size of the full 11-digit NDC dispensed. This serves as the basis for the AWP and discount calculation.

Our home delivery and specialty pharmacies do not repackage drugs.

B. Retail Pharmacy Network Brand Name Drug Pricing

1. Duties and Responsibilities – Brand Name Drug Pricing

a. The Contractor shall charge the Program utilizing Pass-through Pricing for all Brand Name Drugs and Limited Distribution Drugs dispensed to Enrollees/Claimants through the Network Pharmacies. The Contractor's pharmacy contracted Guaranteed Minimum Discount off of Aggregate AWP, pharmacy contracted dispensing fee(s) and prescribing fee(s), if applicable, for Brand Drugs shall be applicable to the aggregate AWP for all Brand Drugs dispensed to Enrollees/Claimants from a Network Pharmacy;

Confirmed.

b. Guarantee a Minimum Discount off of Aggregate AWP for all Brand Drugs dispensed at Retail Network Pharmacies as defined in the RFP. The Contractor shall guarantee the Programs that its management of Brand Drug costs dispensed by pharmacies shall result in each Program achieving the Contractor's Guaranteed Minimum Discounts during each Program Year as proposed by the Contractor in its Proposal.

The discounts achieved off of the aggregate AWP for all Brand Drugs as a result of Pass-through Pricing will be calculated utilizing the following formula: 1 minus (Sum of Ingredient Costs of dispensed Brand Drugs divided by sum of the AWP of dispensed Brand Drugs). The aggregate discount calculation will be based on Final Paid Claim Pharmacy Prescriptions filled with a Brand Drug including Empire Plan Medicare Rx claims. Claims submitted for secondary payer consideration, Compound Drug claims, powders, subrogation claims, long term care pharmacy claims, nursing home pharmacy claims, Veterans Affairs hospital pharmacy claims, NYSIF Program non- network claims and claims submitted by governmental entities must be excluded from the aggregate discount calculation. In addition, claims with a calculated AWP discount greater than 50% must be verified by the Offeror that the quantity and the validity of the calculated discount is correct, subject to the approval of the Procuring Agencies; and

Confirmed.

c. If the aggregate discounts obtained, as calculated utilizing the formula set forth in the prior paragraph, are less than the Guaranteed Minimum Discount off of Aggregate AWP proposed, the Contractor shall reimburse each Program, the difference between the Ingredient Cost each Program was charged utilizing Pass-through Pricing and the Ingredient Cost the Programs would have been charged if the Guaranteed Minimum Discount off of Aggregate AWP had been obtained. The Programs will be credited annually for this difference in Ingredient Cost. The Programs shall retain the benefit of any cost savings, in excess of the Contractor's Guaranteed Minimum Discounts off of Aggregate AWP for all Brand Drugs dispensed by pharmacies.

This calculation shall be performed for each Program Year based on claims paid for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims

incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to the Procuring Agencies on July 31st (Reconciliation Due Date). Contractor shall pay/credit each Program within 30 Days. If the Procuring Agencies' review of the Contractor's calculations indicates an adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor.

The Programs shall retain the benefit of any cost savings, in excess of the Contractor's Guaranteed Minimum Discount off of Aggregate AWP set forth in duties and responsibilities of Section 6.6.B entitled "Retail Pharmacy Network Claims." Any shortfall in the Guaranteed Minimum Discount set forth in Section 6.6.B. cannot be recovered by the Contractor in subsequent years.

Confirmed.

2. Confirmation – Brand Name Drug Pricing

a. The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities in Section 6.6.B of this RFP, under subheading "Retail Pharmacy Network Brand Name Drug Pricing."

Confirmed.

b. The Selected Offeror agrees that it has an obligation to maximize the discounts achieved on behalf of the Program for Brand Drugs dispensed by network pharmacies.

Confirmed.

3. Required Submission – Brand Name Drug Pricing

a. The Selected Offeror is required to provide its Guaranteed Minimum Discount in Attachment 83, Proposed Claim Reimbursement Quote, as a percent off of Aggregate AWP for all Brand Drugs dispensed at Retail Pharmacy Network Pharmacies in Attachment 83.

Confirmed.

C. Retail Pharmacy Network Generic Pricing

1. Duties and Responsibilities – Retail Pharmacy Network Generic Pricing

a. The Contractor shall charge the Programs utilizing Pass-through Pricing for all Generic Drugs dispensed to Enrollees/Claimants through the Network Pharmacies.

Confirmed.

b. To maximize savings for the Programs on Generic Drugs dispensed through a Network Pharmacy, the Contractor is required to:

i. Create and maintain a single, Program-specific Maximum Allowable Cost (MAC) List called the Programs' MAC List for Retail and Mail Service Pharmacies, setting the maximum price the Programs will be charged, and the amount the dispensing Network Pharmacy will be paid, for the Ingredient Cost for the drugs required to be included on the Programs' MAC List. The MAC price assigned shall not exceed the Discounted Ingredient Cost to the Programs achieved through Pharmacy submitted pricing or pricing achieved by using the Contractor's highest contracted Retail Pharmacy Brand Discount off of AWP applied to the AWP of the dispensed Generic Drug.

NOTE: Each Procuring Agency, respectively, reserve its rights for the Contractor to create and maintain a second MAC List should industry or programmatic events necessitate the

use of a second list. The use of a second MAC List will be at the sole discretion and approval of each Procuring Agency, respectively. The Guaranteed Minimum Discount off of Aggregate AWP and the Guaranteed Maximum Dispensing Fee and Prescribing Fee guarantees for generic drugs will be subject to negotiation if a second MAC List is utilized.

As MAC Lists are set by GPI, not NDC, but MAC Alerts are done at the NDC level, DCS requires that the Offeror submit monthly adjudication reports and credit the applicable invoice for any NDC where the MAC price of the GPI is higher than the highest contracted Retail Pharmacy Brand Discount off of AWP of the Generic NDC.

Confirmed.

ii. Assign a MAC price to all NDCs of drugs included within a GPI, including NDCs of all Brand Drugs, containing an A-rated or authorized Generic Drug form of the original Brand Drug in the GPI. The Contractor shall add the GPI to the Programs' MAC List and set a MAC price for the GPI in accordance with Section 6.5.1. The provisions of these paragraphs require that MAC pricing be applied in no event later than 21 Days after the first shipment of a first NDC for a Generic Drug from the manufacturer to a wholesaler or retailer. All A-rated or authorized Generic Drugs shall be placed on the MAC List in all instances including, but not limited to circumstances in which the Department in its sole discretion decides not to enforce mandatory generic substitution of the Brand Drug in that GPI. There shall be one MAC price applicable to all NDCs included in the GPI on the Programs' MAC List. However, depending on particular market factors, it may be in the best interests of the Programs, and therefore appropriate, for more than one MAC price to be assigned within a GPI. Such situations would require that the Contractor provide any information the Procuring Agencies deem necessary to support such action and obtain prior written approval from the Procuring Agencies;

Confirmed.

iii. Assign a MAC price to the NDCs of B-rated or unrated Generic Drugs included within a GPI that does not include an A-rated or authorized Generic Drug. The Offeror shall add the GPI to the Programs' MAC List and set a MAC price for the Generic Drug NDCs included in the GPI as soon as practicable, but in no event later than 21 Days after the first shipment of a first NDC for a Generic Drug from the manufacturer to a wholesaler or retailer concurrent with transmission of the MAC Alert notice. The Contractor shall not apply the MAC price to the NDC(s) for Brand Drugs dispensed in the GPI and shall not enforce the Programs' mandatory generic substitution provisions for Brand Drugs dispensed in this GPI. There shall be one MAC price applicable to all Generic Drug NDCs included in the GPI on the Programs' MAC List. However, depending on particular market factors, it may be in the best interests of the Programs, and therefore appropriate, for more than one MAC price to be assigned within a GPI. Such situations would require that the Contractor provide any information the Procuring Agencies deem necessary to support such action and obtain prior written approval from the Procuring Agencies;

Confirmed.

iv. Charge the Programs for Generic Drugs not on the MAC list dispensed, utilizing Pass-through Pricing at the Contractor's pharmacy contracted Guaranteed Minimum Discount off of Aggregate AWP of the dispensed Generic Drug as proposed by the Contractor in its Proposal. The only Generic Drugs not on the MAC list will be Generic Drugs included in GPIs required to be on the Programs' MAC List, but which have not yet been assigned a MAC price within the required time frame;

Confirmed.

v. The Contractor shall inform the Department of any market- based condition which makes the strict compliance with paragraphs (i)-(iv) above contrary to the financial interests of the Programs. The Contractor shall agree that, in cases where the Department, at its sole

discretion, determines that the above requirements are contrary to the best financial interests of the Programs, the Department may waive such requirements;

Confirmed.

vi. Monitor the Programs' MAC List pricing to ensure that NDCs contained in GPIs subject to MAC pricing are paying at the MAC price after application of the Programs' Lesser of Logic provisions. The Contractor shall notify the Programs of any GPIs subject to MAC pricing in which the majority of claims are processing at a basis other than the MAC price;

Confirmed.

vii. Agree that there shall be no increases to Programs' MAC List prices where such adjustment is intended to limit the discount achieved on behalf of the Programs to the Guaranteed Minimum Discounts off of Aggregate AWP for all Generic Drugs dispensed by Network Pharmacies during the Plan Year as proposed in Attachment 83, Proposed Claim Reimbursement Quote;

Confirmed.

viii. Provide to the Department full access to the Programs' MAC List used to price Generic Drugs dispensed by Network and Mail Service Pharmacies for the Programs. The Programs' MAC List provided in the Offeror's proposal as Attachment 88, Retail and Mail Service Pharmacy Generic Drugs - MAC List Costs per GPI, must support the Contractor's Guaranteed Minimum Discounts off of Aggregate AWP for all Generic Drugs dispensed by Retail and Mail Service Pharmacies for the Program as proposed by the Contractor in its Proposal.

(Note: The Selected Offeror must be prepared to provide valid documented market rationale to support their Programs MAC pricing should the Procuring Agencies request this information. In order to protect the Programs' financial interests from the date of the award until the termination date of the Agreements, the Selected Offeror must agree that any increases to the proposed Programs' MAC pricing must be justified to the Procuring Agencies with valid documented market rationale. Following selection, the Selected Offeror shall manage the content of the Programs' MAC List consistent with the requirements of the RFP. Prices for new GPIs added to the Programs' MAC List shall be equivalent to or below the Selected Offeror's most aggressive MAC price for that drug. To ensure compliance with these requirements, the Selected Offeror shall notify the Department monthly of all changes, additions, and deletions made to the Programs' MAC List in the format specified in

Attachment 35, Cycle Claim Report, and the requirements specified in Sections 3.7 and 5.8, entitled "Reporting Services." Compliance with these requirements as noted herein shall be a condition of contract award. Should the Selected Offeror fail to comply with the requirements noted herein, the State reserves the right to deem the Selected Offeror non-responsive and withdraw said conditional award. Throughout the term of the Agreements, the Contractor shall commit to use its best efforts to maintain the aggregate effectiveness of the Programs' MAC List.

The Contractor must ensure that MAC pricing is reduced to an appropriate level based on any change in market conditions such as increased competition within a GPI.

Confirmed.

ix. The Contractor shall strictly enforce all requirements of the Programs' mandatory generic substitution provision as detailed in the duties and responsibilities of Section 6.5 entitled "Mandatory Generic Substitution at Retail and Mail."

Confirmed.

x. The Contractor must Guarantee a Minimum Discount off of Aggregate AWP for all Generic Drugs dispensed at Retail Pharmacies as defined in the RFP. The Contractor shall guarantee the Programs that its management of Generic Drug costs dispensed by pharmacies, including maintenance of the Programs' MAC List, and application of pricing provisions related to Generic Drugs that do not meet the requirements for inclusion on the Programs' MAC List, shall result in the Programs achieving the Contractor's overall Guaranteed Minimum Discounts during the Program Year as proposed in the Contractor's Proposal.

The discount achieved off of Aggregate AWP for all Generic Drugs as a result of Pass-through Pricing will be calculated utilizing the following formula: 1 minus (Sum of Ingredient Costs of dispensed Generic Drugs at Retail Pharmacies divided by sum of the AWP of dispensed Generic Drugs).

The aggregate discount calculation will be based on Final Paid Claim Pharmacy Prescriptions filled with a Generic Drug including Empire Plan Medicare Rx claims. Claims submitted for secondary payer consideration, Compound Drug claims, powders, subrogation, long term care pharmacy claims, nursing home pharmacy claims, Veterans Affairs hospital pharmacy claims, NYSIF Program non- network claims and claims submitted by governmental entities must be excluded from the aggregate discount calculation. In addition, claims with a calculated AWP discount greater than 90% and a total AWP greater than $500 must be verified by the Offeror that the quantity and validity of the calculated discount is correct, subject to the approval of the Procuring Agencies. The setting of a Guaranteed Minimum Discount off of Aggregate AWP for all Generic Drugs dispensed at Retail Network Pharmacies shall in no way modify the Contractor's contractual obligation to maximize the Programs' aggregate discount above the Contractor's Guaranteed Minimum Discount off of Aggregate AWP; and

xi. If the overall aggregate discount obtained, as calculated utilizing the formula set forth in the prior paragraph, is less than the Contractor's Guaranteed Minimum Discounts, the Contractor shall reimburse the Programs the difference between the Ingredient Cost the Programs were charged utilizing Pass- through Pricing and the Ingredient Cost the Programs would have been charged if the Guaranteed Minimum Discount off of Aggregate AWP had been obtained. The Programs will be credited annually for this difference in Ingredient Cost. The Programs shall retain the benefit of any cost savings, in excess of the Contractor's Guaranteed Minimum Discounts off the aggregate AWP for all Generic Drugs dispensed by Retail and Mail Service Pharmacies.

These calculations shall be performed for each Program Year based on claims paid for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to the Procuring Agencies on or before July 31st (the "Reconciliation Due Date"). Contractor shall pay/credit each Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the Procuring Agencies' review of the Contractor's calculations indicates an adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor.

The Programs shall retain the benefit of any cost savings, in excess of the Contractor's Guaranteed Minimum Discount off the aggregate AWP set forth in duties and responsibilities of Section 6.6 entitled "Retail Pharmacy Network Claims." Any shortfall in the Guaranteed Minimum Discount set forth in Section 6.6. cannot be recovered by the Contractor in subsequent years. The Contractor is not allowed to apply any separate "offsets" to the cost savings that inure to the benefit of the Procuring Agencies under this subsection.

Confirmed.

2. Confirmation – Retail Pharmacy Network Generic Pricing

a. Confirm the Offeror's agreement to perform/fulfill and comply with the duties and responsibilities listed in the Retail Pharmacy Network Generic Pricing in Sections 6.6.C. of this RFP, under subheading "Retail Pharmacy Network Generic Pricing."

Confirmed.

b. The Offeror agrees that it has an obligation to maximize the discount achieved on behalf of the Program for Generic Drugs dispensed by Retail and Mail Service pharmacies.

Confirmed.

c. The Offeror agrees that it will develop a Program's MAC List for Retail and Mail Service Pharmacies in order to maximize the discount achieved on behalf of the Programs for Generic Drugs.

Confirmed.

3. Required Submission – Retail Pharmacy Network Generic Pricing

a. The Offeror is required to provide its Program's MAC list unit cost information in Attachment 88, Retail and Mail Service Pharmacy Generic Drugs - MAC List Costs per GPI, in accordance with the instructions provided in the files.

Confirmed.

b. The Offeror is required to provide its Guaranteed Minimum Discount as a percent off of Aggregate AWP for all Generic Drugs dispensed by Retail and Mail Service Pharmacies in Attachment 83, Proposed Claim Reimbursement Quote.

Confirmed.

D. Retail Pharmacy Network Compound Drug Pricing

Compound Drugs must be classified as compounds consistent with the definition in the Glossary of Defined Terms (Attachment 15) of this RFP. Drugs assigned a unique NDC that require reconstitution and/or mixing prior to dispensing do not meet the Programs' definition of a Compound Drug and shall be processed in accordance with the requirements set forth in this RFP.

1. Duties and Responsibilities – Retail Pharmacy Network Compound Drug Pricing

The Contractor shall be required to:

a. Utilize its pricing methodology for Compound Drugs utilizing Pass- through Pricing, as proposed by the Contractor in its Proposal in Attachment 83, Proposed Claim Reimbursement Quote, for the entire term of the Agreements. (Note: If an Offeror has multiple methods of pricing, the Offeror may propose each pricing method in Attachment 83. for Procuring Agency consideration and selection.) The proposed pricing methodology(ies) for Compound Drugs must be the same for Retail and Mail Service Pharmacy Process claims.

Confirmed.

b. (Exclusive to DCS) Charge Enrollees the applicable Level 2 Drug Copayment for all Compound Drugs. If the current Discounted Ingredient Cost or the submitted cost is less than the applicable Level 2 Drug Copayment, then the Offeror shall ensure that the Enrollee is charged the lesser amount.

Confirmed.

c. Process Compound Drug claims in a manner that verifies the validity of the claim as a Compound Drug according to the Programs' definition of a Compound Drug and provides appropriate claim Level control procedures to protect the financial interests of the Programs.

Confirmed.

d. Conduct due diligence as well as audit Network Pharmacies to ensure that drugs are being properly classified as Compound Drugs consistent with the Programs' definition of a Compound Drug and to ensure that compound claims are priced in accordance with the Contractor's pricing methodology for Compound Drugs, as proposed by the Contractor in its Proposal, selected by the Procuring Agencies.

Confirmed.

2. Confirmation – Retail Pharmacy Network Compound Drug Pricing

a. The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities in Section 6.6.D. of this RFP, under subheading "Retail Pharmacy Network Compound Drug Pricing."

Confirmed.

3. Required Submission – Retail Pharmacy Network Compound Drug Pricing

a. In Attachment 83, Proposed Claim Reimbursement Quote the Offeror is required to provide its pricing methodology utilizing Pass- through Pricing for Compound Drugs dispensed by Network Pharmacies; its dispensing fees; and if the Offeror is proposing the use of NCPDP transaction standards for Compound Drugs, a level of effort fee based on the claims level of effort code. The Offeror will notify DCS, in writing, a minimum of 30 Days in advance of any changes to the Contractor's book of business Level of Effort fees, and such revised fees will be charged consistent with the pricing provisions of the Agreement.

Confirmed.

6.7 Mail Service Pharmacy Process - Claims

The current Programs include a Mail Service Pharmacy Process by which Enrollees/Claimants can obtain all Covered Drugs through the mail including any and all drugs that could be classified as Specialty Drugs for Enrollees/Claimants who do not participate in the Specialty Pharmacy Program. Enrollees are entitled to fill Prescriptions for up to a ninety (90) Day supply with refills up to one year at a cost savings to the Enrollee and the DCS Program.

Confirmed.

A. General Provisions - Claims

The following provisions shall apply to all claims submitted through the Mail Service Pharmacy Process.

1. Duties and Responsibilities – Claims

The Contractor shall be required to:

a. Consistently enforce and administer all provisions of the Program (including but not limited to mandatory generic substitution, drug utilization review, prior authorization, refill too-soon edits, etc.) to the claims dispensed through the Mail Service Pharmacy Process, consistent with the processing of claims through the Retail Pharmacy Network process;

Confirmed.

b. Charge the Programs for those drugs dispensed to the Enrollee/Claimant in original manufacturer packaging, based on the Contractor's source of AWP as proposed by the Contractor in its Proposal for the 11-digit NDC of the package size dispensed through the Mail Service Pharmacy Process, subject to MAC pricing for Generic drugs. If the drug is not dispensed to the Enrollee/Claimant in original manufacturer packaging (i.e., dispensed from bulk), the Programs shall be charged based on the Contractor's source of AWP as proposed by the Contractor in its Proposal for the 11-digit NDC of the package size from which the drug was originally dispensed by the Mail Service Pharmacy Process Facility, subject to MAC pricing for Generic drugs. If the drug is dispensed from a bulk package size for which no AWP is reported in the Contractor's proposed AWP source as proposed by the Contractor in its Proposal, the Programs will be charged based on the reported AWP for the NDC of the largest package size contained in the Contractor's AWP source as proposed by the Contractor in its Proposal. The Programs shall not be charged based on an NDC assigned to repackaged drugs or based on package sizes prepared by special arrangement with the original manufacturer, unless such packaging offers a net savings to the Programs;

Confirmed.

c. Charge the Programs based on the Contractor's pricing terms, dispensing fees (if any) and prescribing fee(s) (if applicable), applicable to Brand, Generic, and Compound Drug claims as set forth in Attachment 83, Proposed Claim Reimbursement Quote, of the Contractor's Proposal for all prescriptions submitted through the Mail Service Pharmacy Process. If multiple Compound Drug pricing methodologies were proposed by the Contractor in its Proposal, the Programs must be charged according to the methodology selected by the Procuring Agencies for Compound Drug claims. The Programs' Lesser of Logic shall be applied at all times during the Contract term;

Confirmed.

d. (Exclusive to DCS) Ensure that the Mail Service Pharmacy Process Facilities collect the appropriate Copayment specified in Attachment 27, DCS/NYSIF Prescription Drug Program Copayment Matrix, from the Enrollee plus Ancillary Charge, if applicable, and charge the Programs the balance of the Discounted Ingredient Cost as determined through the application of the Lesser of Logic set forth in the Glossary of Defined Terms (Attachment 15) plus the Contractor's applicable proposed Guaranteed Dispensing Fee minus the applicable Copayment for all drugs dispensed through the Mail Service Pharmacy Process; and

Confirmed.

e. Exclusive to DCS) Inform the Enrollee prior to shipping if the total amount for a Prescription order submitted through the Mail Service Pharmacy Process exceeds $100 and Enrollee has payment information (e.g., credit card) on file or Enrollee's total balance is over $100 and Enrollee has no payment information (e.g., credit card) on file. The Mail Service Pharmacy Process Facility will not be required to inform Enrollees if there is a consistent history of the acceptance of shipments that exceed the maximum amount specified for the same medications. If the Brand Drug is dispensed, the Contractor shall cause the dispensing facility to collect the applicable Level 3 Drug Copayment plus the calculated Ancillary Charge, if any. Under no circumstances shall the Enrollee's total cost exceed what the actual cost of the Brand Drug would have been to the Program.

Confirmed.

f. The Contractor is required to maximize savings to the Program through aggressive pricing and discounts, consistent with Lesser of Logic and the Contractor's Financial Proposal. The Contractor agrees that all records supporting Lesser of Logic are subject to audit by DCS and its consultants or other State auditors with authority under Section 8 and/or Appendices A, B & B-1 of this RFP.

Confirmed.

2. Confirmation – General Provisions - Claims

a. Confirm the Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities in Section 6.7 of this RFP, under subheading "General Provisions."

Confirmed.

B. Mail Service Pharmacy Process - Brand Name Drug Pricing

The Contractor must classify Brand Drugs in accordance with the definition in the Glossary of Defined Terms (Attachment 15) as well as the methodology outlined in Section 6.4.1(g) of the RFP entitled "Brand Drug Determination Methodology."

1. Duties and Responsibilities – Brand Name Drug Pricing

The Contractor shall be required to:

a. Utilize the Guaranteed Discount off of AWP as proposed by the Offeror in its Financial Proposal to determine the Ingredient Cost of the Prescription to charge the Programs. The Guaranteed Discount off of AWP shall be applicable to individual Brand Drug prescriptions dispensed to Enrollees/Claimants through the Mail Service Pharmacy Process.

Confirmed.

b. Ensure that the Mail Service Pharmacy Process dispensing facility collects the appropriate Brand Drug Copayment (plus Ancillary Charge if applicable) from the Enrollee and charges the Programs the balance of the Discounted Ingredient Cost plus the Guaranteed Dispensing Fee, if any, for Brand Drugs dispensed through the Mail Service Pharmacy Process, as proposed by the Offeror in Attachment 83, Proposed Claim Reimbursement Quote. If the current Discounted Ingredient Cost plus the Guaranteed Dispensing Fee (if applicable) or the submitted cost is less than the applicable Level 2 or Level 3 Drug Copayment then the Contractor shall ensure that the Enrollee/Dependent is charged the lesser amount.

Confirmed.

c. Guarantee a Discount off of AWP for Brand Drugs dispensed through the Mail Service Pharmacy as defined in the RFP. The Contractor shall guarantee the Programs that the Plan will achieve the Contractor's Guaranteed Discounts off of AWP during the Plan Year, as proposed by the Contractor in its Proposal.

Confirmed.

d. The discount achieved off of AWP for Brand Drugs dispensed at Mail Service Pharmacies shall be billed to the Programs using Lesser of Logic, incorporating guaranteed contracted pricing; and

Confirmed.

e. If the Guaranteed Discount off of AWP for Brand Drugs is less than the Guaranteed Minimum Discount off of AWP as proposed by the Offeror in its Financial Proposal, the Contractor shall reimburse the Programs the difference between the Ingredient Cost the Programs were charged and the Ingredient Cost the Programs would have been charged if the Guaranteed Minimum Discount off of AWP had been obtained. The Programs will be credited annually for this difference in Ingredient Cost. The Programs shall retain the benefit of any cost savings, in excess of the Contractor's proposed Guaranteed Minimum Discounts off of AWP for Brand Drugs dispensed by the Mail Service Pharmacy.

Confirmed.

f. This calculation shall be performed by the Contractor for each Program Year based on claims paid for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The Contractor shall pay/credit each Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the Procuring Agencies' review of the Contractor's calculations indicates an adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor.

Confirmed.

g. In addition to performing this reconciliation, the Contractor shall provide reporting on the Actual Acquisition Cost, pursuant to the terms of this RFP and the resulting Contract, for Brand drugs dispensed through the Mail Service Pharmacy to the Procuring Agencies on July 31st. If Contractor identifies in writing the information requested as Contractors' Confidential or Proprietary information access to the information will be provided pursuant to Section 8.7, Contractor's Confidential Information.

Confirmed.

2. Confirmation – Brand Name Drug Pricing

a. Confirm the Offeror's agreement to perform/fulfill and comply with the Duties and Responsibilities Section 6.7.B of this RFP, under subheading "Mail Service Pharmacy Process -- Brand Name Drug Pricing."

Confirmed.

3. Required Submission – Brand Name Drug Pricing

a. The Offeror is required to provide the Offeror's fixed contracted Guaranteed Discount off of AWP for Brand Drugs dispensed through the Mail Service Pharmacy Process on Attachment 83, Proposed Claim Reimbursement Quote. The Offeror shall assume in its pricing that the Procuring Agencies will not allow promotion of the Mail Service Pharmacy Process. However, the Procuring Agencies reserve the right during the term of the Agreements to allow promotion of the Mail Service Pharmacy Process provided such promotion is in the best financial interests of the State and complies with all applicable state laws and regulations.

Confirmed.

C. Mail Service Pharmacy Process – Generic Drug Pricing

The Contractor shall classify Generic Drugs in accordance with the definition in the Glossary of Defined Terms (Attachment 15) as well as the methodology outlined in Section 6.4.1(g)(iii) of the RFP entitled "Generic Drug Determination Methodology."

1. Duties and Responsibilities – Generic Drug Pricing

The Contractor shall be required to:

a. Utilize the Programs' MAC list for Retail and Mail Service Pharmacies to determine the Ingredient Cost of each Prescription charged to the Programs. The Contractor's Programs' MAC list for Retail and Mail Service Pharmacies shall be applicable to the aggregate AWP for all Generic Drugs dispensed to Enrollees/Claimants through the Mail Service Pharmacy Process;

Confirmed.

b. Ensure that the Mail Service Pharmacy Process dispensing facility collects the Level 1 Drug Copayment from the Enrollee and charges the Programs the balance of the Discounted Ingredient Cost plus the Contractor's Guaranteed Dispensing Fee for Generic Drugs dispensed through the Mail Service Pharmacy Process, if any, as proposed by the Contractor in its Proposal. If the current Discounted Ingredient Cost plus the dispensing fee (if applicable) or the submitted cost is less than the applicable Level 1 Drug Copayment then the Contractor shall ensure that the Enrollee is charged the lesser amount;

Confirmed.

c. The Contractor must Guarantee a Minimum Discount off of Aggregate AWP for all Generic Drugs dispensed through the Mail Service Pharmacy Process as defined in the RFP. The Contractor shall guarantee the Programs that its management of Generic Drug costs dispensed by the Mail Service Pharmacy, including maintenance of the Programs' MAC List for Retail and Mail Service Pharmacies, and application of pricing provisions related to Generic Drugs that do not meet the requirements for inclusion on the Programs' MAC List, shall result in the Programs achieving the Contractor's overall Guaranteed Minimum Discounts during the Program Year as proposed in the Contractor's Proposal.

Confirmed.

d. The discount achieved off of Aggregate AWP for all Generic Drugs dispensed through the Mail Service Pharmacy Process as a result of Lesser of Logic will be calculated utilizing the following formula: 1 minus (Sum of Ingredient Costs of dispensed Generic Drugs at Mail Service Pharmacies divided by sum of the AWP of dispensed Generic Drugs). The aggregate discount calculation will be based on Final Paid Claim Pharmacy Prescriptions filled with a Generic Drug including Empire Plan Medicare Rx claims. Claims submitted for secondary payer consideration, Compound Drug claims, powders, subrogation, long term care pharmacy claims, nursing home pharmacy claims, Veterans Affairs hospital pharmacy claims, NYSIF Program non- network claims and claims submitted by governmental entities must be excluded from the aggregate discount calculation. In addition, claims with a calculated AWP discount greater than 90% and a total AWP greater than $500 must be verified by the Offeror that the quantity and validity of the calculated discount is correct, subject to the approval of the Procuring Agencies. The setting of a Guaranteed Minimum Discount off of Aggregate AWP for all Generic Drugs dispensed through the Mail Service Pharmacy Process shall in no way modify the Contractor's contractual obligation to maximize the Programs' aggregate discount above the Contractor's Guaranteed Minimum Discount off of Aggregate AWP; and

Confirmed.

e. If the overall aggregate discounts obtained, as calculated utilizing the formula set forth in the prior paragraph, are less than the Guaranteed Minimum Discount off of Aggregate AWP as proposed by the Offeror in its Financial Proposal, the Contractor shall reimburse the Programs, the difference between the Ingredient Cost the Programs were charged utilizing Pass-through Pricing and the Ingredient Cost the Programs would have been charged if the Guaranteed Minimum Discount off of Aggregate AWP had been obtained. The Programs will be credited annually for this difference in Ingredient Cost. The Programs shall retain the benefit of any cost savings, in excess of the Contractor's proposed Guaranteed Minimum Discounts off of Aggregate AWP for all Generic Drugs dispensed by pharmacies.

Confirmed.

f. This calculation shall be performed by the Contractor for each Program Year based on claims paid for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to the Procuring Agencies on July 31st. The Contractor shall pay/credit each Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the Procuring Agencies' review of the Contractor's calculations indicates an adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor

Confirmed.

2. Confirmation – Generic Pricing

a. The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities in Section 6.7.C of this RFP, under subheading "Mail Service Pharmacy Process - Generic Drug Pricing."

Confirmed.

3. Required Submission – Generic Pricing

a. The Offeror is required to provide its Guaranteed Minimum Discount as a percent off of Aggregate AWP for all Generic Drugs dispensed through the Mail Service Pharmacy Process on Attachment 83, Proposed Claim Reimbursement Quote.

Confirmed.

b. The Offeror is required to provide a listing of the Offeror's proposed "house generics" to be dispensed through the Mail Service Pharmacy Process.

Not applicable. We do not dispense a "house" or "private label" generics.

D. Mail Service Pharmacy Process – Compound Drug Pricing

The Contractor must classify Compound Drugs in accordance with the definition in the Glossary of Defined Terms (Attachment 15) of this RFP. Drugs assigned a unique NDC that require reconstitution and/or mixing prior to dispensing do not meet the Programs' definition of a Compound Drug and shall be processed in accordance with the requirements set forth in the RFP.

Confirmed.

1. Duties and Responsibilities – Compound Drug Pricing

The Contractor shall be required to:

a. Utilize its pricing methodology for Compound Drugs utilizing Pass- through Pricing, as proposed by the Contractor in Attachment 83, Proposed Claim Reimbursement Quote, of its Proposal, for the entire term of the Agreement. (Note: If an Offeror has multiple methods of pricing, the Offeror may propose each pricing method in Attachment 83 for Procuring Agency consideration and selection.) The Contractor's pricing methodology(ies) for Compound Drugs, as proposed by the Contractor in its Proposal, must be the same for retail and Mail Service Pharmacy Process claims;

Confirmed.

b. Charge Enrollees the applicable Level 2 Drug Copayment for all Compound Drugs. If the current Discounted Ingredient Cost or the submitted cost is less than the applicable Level 2 Drug Copayment then the Contractor shall ensure that the Enrollee is charged the lesser amount;

Confirmed.

c. Process Compound Drug claims in a manner that verifies the validity of the claim as a Compound Drug according to the Programs' definition and provides appropriate claim control mechanisms to protect the financial interests of the Programs; and

Confirmed.

d. Conduct due diligence to ensure that drugs are being properly classified as Compound Drugs consistent with the Programs' definition of a Compound Drug and ensure that compound claims are priced in accordance with the Contractor's pricing methodology for Compound Drug, as proposed by the Contractor in its Proposal, selected by the Procuring Agencies.

Confirmed.

2. Confirmation – Compound Drug Pricing

a. The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities in Section 6.7.D of this RFP, under subheading "Mail Service Pharmacy Process – Compound Drug Pricing."

Confirmed.

3. Required Submission – Compound Drug Pricing

a. In Attachment 83, Proposed Claim Reimbursement Quote, the Offeror is required to provide its pricing methodology utilizing Pass- through Pricing for Compound Drugs dispensed by Network Pharmacies; its dispensing fees; and if the Offeror is proposing the use of NCPDP transaction standards for Compound Drugs, a level of effort fee based on the claims level of effort code. The Offeror will notify DCS, in writing, a minimum of 30 Days in advance of any changes to the Contractor's book of business Level of Effort fees, and such revised fees will be charged consistent with the pricing provisions of the Agreement.

Confirmed.

6.8 Enrollee Submitted Claims

The cost to the Program for Prescriptions for which Enrollees submit direct claims for reimbursement will be charged to the DCS Program at the actual amount reimbursed by the Contractor. For the DCS Programs, such reimbursement shall be based on the lesser of the submitted cost, minus the applicable Copayment; or the Discounted Ingredient Cost, plus the applicable (Brand Drug/Generic Drug) Guaranteed Maximum Dispensing Fee, plus the Guaranteed Maximum Prescribing Fee (if applicable), minus the applicable Copayment. In the case of an Enrollee who has dual Empire Plan coverage, the applicable Copayment will not be subtracted from the reimbursement for the secondary claim.

Confirmed.

1. Duties and Responsibilities – Enrollee Submitted Claims

The Contractor shall be required to utilize the following methodology to charge the Programs:

a. (Exclusive to DCS) Brand Drugs, including Specialty Drugs, must be charged to the Programs utilizing the Guaranteed Minimum Discount off of Aggregate AWP for Brand Drugs dispensed at the Retail Pharmacy Network plus Retail Brand Guaranteed Maximum Dispensing Fee for Brand Drugs, plus the Guaranteed Maximum Prescribing Fee (if applicable), minus the applicable Copayment;

Confirmed.

b. (Exclusive to DCS) Generic Drugs, including Specialty Drugs, must be charged to the Program utilizing the Contractor's assigned MAC price for the Retail and Mail Service Pharmacies, plus the applicable dispensing fee for Generic Drugs, plus the prescribing fee(s), if applicable, minus the applicable Copayment. Generic Drugs without a MAC price must be charged to the DCS Program using the Contractor's Guaranteed Minimum Discount off of Aggregate AWP for Brand Drugs, as proposed by the Contractor in its Proposal, off of AWP of the dispensed Generic Drug, plus the Guaranteed Maximum Dispensing Fee for Generic Drugs, minus the applicable Copayment;

Confirmed.

c. (Exclusive to DCS) Compound Drugs must be charged to the DCS Program by applying the Contractor's pricing methodology for Compound Drugs as defined in Section 6.7.D of the RFP, under the subheading "Retail Pharmacy Compound Drug Pricing," as proposed by the Contractor in its Proposal, plus the Guaranteed Maximum Dispensing Fee for Compound Drugs minus the applicable Level 2 Drug Copayment;

Confirmed.

d. (Exclusive to DCS) The Program's Lesser of Logic must be applied to all Enrollee Submitted Claims; and

Confirmed.

e. (Exclusive to NYSIF) For the NYSIF Program, all Enrollee/Dependent Submitted Claims must be charged to the Program at the submitted cost, (i.e., Enrollees/Dependents must be reimbursed one hundred percent (100%) of their actual cost).

Confirmed.

2. Confirmation – Enrollee Submitted Claims

a. The Selected Offeror agrees to perform/fulfill and comply with the duties and responsibilities listed in the Enrollee Submitted Claims section above.

Confirmed.

6.9 Non-Network Pharmacy Submitted Claims (Exclusive to NYSIF)

The cost to the NYSIF Program for Prescriptions for which Non-Network Pharmacies submit direct claims for reimbursement will be charged to the NYSIF Program in accordance with New York State Worker's Compensation Board laws and regulations, specifically, Section 440 of Chapter V. of Title 12 NYCRR (New York Codes Rules and Regulations).

NYSIF operates a mandatory pharmacy network in accordance with the provisions of 12 NYCRR 440.

1. Duties and Responsibilities – Non-Network Pharmacy Submitted Claims

The Contractor shall be required to utilize the following methodology to charge the Programs:

a. Brand Drugs, including Specialty Drugs, must be charged to the NYSIF Program at the New York State Workers' Compensation Board rates, currently a twelve percent (12%) discount off of AWP, plus a $4 Dispensing Fee; and

Confirmed.

b. Generic Drugs, including Specialty Drugs, must be charged to the NYSIF Program at the New York State Workers' Compensation Board rates, currently a twenty percent (20%) discount off of AWP, plus a $5 Dispensing Fee.

Confirmed.

c. NYSIF operates a mandatory pharmacy network in accordance with the provision of 12 NYCRR 440.

Confirmed.

2. Confirmation – Non-Network Pharmacy Submitted Claims

a. The Selected Offeror agrees to perform/fulfill and comply with the duties and responsibilities listed in the Non-Network Pharmacy Submitted Claims section above.

Confirmed.

6.10 Dispensing Fee and Prescribing Fee

A Dispensing Fee is the amount of money, if any, paid to the pharmacies in compensation for the services rendered for filling a Prescription under the Agreements. The level of dispensing fees should encourage appropriate dispensing and compliance with the Programs' mandatory generic substitution requirements.

(Exclusive to DCS) A Prescribing Fee is the amount of money, if any, and subject to authorization under NYS law, paid to pharmacies in compensation for the services rendered in prescribing certain statutorily authorized (e.g., self- administered oral hormonal contraceptives) medications.

1. Duties and Responsibilities – Dispensing Fees and Prescribing Fees

a. Dispensing fees at Retail Network Pharmacies shall be subject to Pass-through Pricing, up to a Guaranteed Maximum Dispensing Fee applied to aggregate claims. Prescribing fee(s), if applicable, at Retail Network Pharmacies shall be subject to Pass-through Pricing, up to a Guaranteed Maximum Prescribing Fee applied to aggregate claims. Dispensing fees for claims filled at the Specialty Pharmacy(ies), may be variable commensurate with the level of clinical services offered through the Specialty Pharmacy Program and should be proposed under Attachment 89, Specialty Pharmacy Program Dispensing Fees. (Note: Offerors may propose a different Guaranteed Maximum Dispensing Fee at Retail Network Pharmacies for Brand Drugs vs. Generic Drugs. Offerors shall propose a single Guaranteed Dispensing Fee for the Mail Service Process – see Attachment 83, Proposed Claim Reimbursement Quote)

Confirmed.

b. The Contractor shall be required to guarantee its dispensing fee(s) and prescribing fee(s), if applicable, as proposed by the Contractor in its Proposal, for the entire term of the Agreements.

Confirmed.

c. No dispensing fee shall be charged to the Programs for any claim that is paid on the basis of the Pharmacy's Usual and Customary price.

Confirmed.

d. The Contractor must guarantee the overall maximum dispensing fee for Brand, Generic and Compound claims, respectively, dispensed at Retail Network Pharmacies, as proposed by the Contractor in its Proposal. The level of dispensing fees achieved as a result of Pass- through Pricing at Retail Pharmacies will be calculated utilizing the following formula: Total Retail Network Dispensing Fees paid by each Program on an annual basis divided by the number of Final Paid Claims at Retail Network Pharmacies for each of Generic, Brand, and Compound claims.

Confirmed.

e. If the overall aggregate dispensing fees paid, as calculated utilizing the formula set forth in the prior paragraph, are more than the Guaranteed Maximum Dispensing Fee proposed for each of Brand, Generic, and Compound claims at Retail Network Pharmacies, the Contractor shall reimburse each Program the difference between the Dispensing Fee the Programs were charged utilizing Pass-through Pricing and the Dispensing Fee the Programs would have been charged if the Guaranteed Maximum Dispensing Fee had been obtained.

Confirmed.

f. This calculation shall be performed for each Program Year based on claims for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to the Procuring Agencies on July 31st. The Contractor shall pay/credit each Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the Procuring Agencies' review of the Contractor's calculations indicates and adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor. The Programs shall retain the benefit of any cost savings in excess of the Guaranteed Maximum Dispensing Fees set forth in Section 6.10.

Any shortfall in the Guaranteed Maximum Dispensing Fees set forth in Section 6.10 cannot be recovered by the Contractor in subsequent years.

Confirmed.

g. (Exclusive to DCS) The Contractor must guarantee the overall maximum prescribing fee(s), (if applicable) for Brand and Generic claims, respectively, dispensed at Retail Network Pharmacies, as proposed by the Contractor in its Proposal. The level of prescribing fee(s), if applicable, achieved as a result of Pass-through Pricing at Retail Pharmacies will be calculated utilizing the following formula:

Total Retail Network Prescribing Fees (if applicable) paid by each Program on an annual basis divided by the number of Final Paid Claims at Retail Network Pharmacies for each of Generic, and Brand claims.

Confirmed.

h. (Exclusive to DCS) If the overall aggregate prescribing fees, if applicable, paid, as calculated utilizing the formula set forth in the prior paragraph, are more than the Guaranteed Maximum Prescribing Fee proposed for each of Brand, and Generic claims at Retail Network Pharmacies, the Contractor shall reimburse the DCS Program the difference between the Prescribing Fee the DCS Program was charged utilizing Pass-through Pricing and the Prescribing Fee, if applicable, the DCS Program would have been charged if the Guaranteed Maximum Prescribing Fee had been obtained.

Confirmed.

i. (Exclusive to DCS) This calculation shall be performed for each Program Year based on claims for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to DCS on July 31st. The Contractor shall pay/credit the DCS Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the DCS review of the Contractor's calculations indicates and adjustment to the calculation is required, then the Department reserves the right in its sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Program or to the Contractor. The Program shall retain the benefit of any cost savings in excess of the Guaranteed Maximum Prescribing Fees set forth in Section 6.10. Any shortfall in the Guaranteed Maximum Prescribing Fees set forth in Section 6.10 cannot be recovered by the Contractor in subsequent years.

Confirmed.

2. Confirmation – Dispensing Fees and Prescribing Fees

a. The Selected Offeror agrees to perform/fulfill and comply with the duties and responsibilities listed in the Dispensing Fee and Prescribing Fee section above.

Confirmed.

3. Required Submission – Dispensing Fees and Prescribing Fees

a. The Offeror is required to provide the Offeror's proposed Guaranteed Maximum Dispensing Fees and Guaranteed Maximum Prescribing Fees, if applicable, for Retail Brand and Generic claims on Attachment 83, Proposed Claim Reimbursement Quote.

Confirmed.

b. The Offeror is required to provide the Offeror's proposed fixed dispensing fees for mail order Brand and Generic claims on Attachment 83, Proposed Claim Reimbursement Quote.

Confirmed.

c. The Offeror is required to complete Attachment 89, Specialty Pharmacy Program Dispensing Fees, listing the Offeror's proposed dispensing fees for each drug proposed to be included in the Offeror's Specialty Pharmacy Program.

Confirmed.

6.11 Specialty Pharmacy Program Pricing

All DCS Program Enrollee Groups and NYSIF Claimants participate in the Specialty Pharmacy Program, which provides an enhanced level of clinical management for Enrollees/Claimants taking Specialty Drugs. Under the current plan design, an Enrollee/Claimant is allowed to have a Grace Fill of certain Specialty Drugs dispensed from any Pharmacy. However, Specialty Drugs identified for short-term therapy for which a delay in starting therapy would not affect clinical outcomes are not eligible for this Grace Fill benefit and must be filled through the Designated Specialty Pharmacy. After the first Specialty Drug Prescription is filled through Retail or Mail Service Pharmacy, future fills are subject to a Hard Edit (DCS only), meaning that Enrollees are required to obtain the drug through the Specialty Pharmacy Process, subject to the mail service Copayment (DCS only) when dispensed by the Designated Specialty Pharmacy. This requirement does not apply to enrollees in the Empire Plan Medicare Rx program.

In addition to a Grace Fill at Retail, certain Specialty Drugs available through the Specialty Pharmacy Program as well as all Specialty Medications covered under the NYSIF Program are also available through the Retail Pharmacy Network, because of their clinical requirements and/or urgent dispensing timeframe or NYS laws and regulations. All drugs filled at a Retail Pharmacy Network are subject to the Retail Network Pharmacy Pass-through Pricing and Copayments (DCS only). For those drugs available only through the Specialty Pharmacy Program, the Offeror may propose dispensing fees on a drug by drug basis, commensurate with the clinical services provided for each (Attachment 89, Specialty Pharmacy Program Dispensing Fees). All drugs shall be classified as either Brand Name, Generic, or Compound for pricing purposes based on the classification methodologies set forth in Section 6.4.1(g) of this RFP. The Programs shall be entitled to all manufacturer revenue derived from Specialty Drugs.

Drugs which may be included in the Specialty Pharmacy Program, Specialty Drugs are:

a) "orphan drugs";

b) drugs requiring special handling, special administration and/or intensive patient monitoring/testing;

c) biotech drugs developed from human cell proteins and DNA, targeted to treat disease at the cellular level; or,

d) other drugs identified by the Program as used to treat patients with chronic or life-threatening diseases.

The DCS Program requires that medications dispensed under the Specialty Pharmacy Program meet the conditions above. Offerors should not include oral tablets of generic medications that historically been available through Retail Network Pharmacies. The Department reserves the right to remove medications from the Specialty Pharmacy Program Drug List at any time. Adding medications to the list and/or applying utilization management to medications may be made no more than quarterly, subject to review and approval by DCS and OER. Offerors should provide information listed in the "Specialty Drug Proposals" Report listed in Attachment 36, Program Reporting, when proposing changes to medications under the Specialty Pharmacy Program.

The Offeror must provide a Special Pharmacy Program where Enrollees/Claimants receive their Specialty Drugs through one or more designated pharmacies that offer enhanced clinical management. The process must provide extensive clinical support in the most cost-effective manner possible for the Program.

Confirmed.

1. Duties and Responsibilities – Specialty Pharmacy Program Pricing

a. Consistently enforce and administer all provisions of the Program (including but not limited to mandatory generic substitution, drug utilization review, prior authorization, refill too-soon edits) to the claims dispensed through the Specialty Pharmacy Process, consistent with the processing of claims through the Retail and Mail Service Pharmacy Network processes.

Confirmed.

b. Charge the Programs for those drugs dispensed to Enrollees/Claimants in original manufacturer packaging, based on the Contractor's source of AWP for the 11-digit NDC of the package size dispensed through the Specialty Pharmacy Process. If the drug is not dispensed to the Enrollee/Claimant in the original manufacturer packaging (i.e., dispensed in bulk), the Programs shall be charged based on the Contractor's source of AWP for the 11-digit NDC of the package size from which the drug was originally dispensed by the Designated Specialty Pharmacy. If the drug is dispensed from a bulk package size for which no AWP is reported in the Contractor's AWP source, the Program shall be charged based on the reported AWP for the NDC of the largest package size contained in the Contractor's AWP source. The Programs shall not be charged based on an NDC assigned to repackaged drugs or based on package sizes prepared by special arrangement with the original manufacturer unless such packaging offers a net savings to the Programs.

Confirmed.

c. Charge the Programs based on the Contractor's pricing terms and dispensing fees (if any) applicable to Brand and Generic, Specialty Drug claims as set forth in Attachment 83, Proposed Claim Reimbursement Quote and Attachment 89, Specialty Pharmacy Program Dispensing Fees, for all prescriptions submitted through the Specialty Pharmacy Program.

Confirmed.

d. Ensure that the Designated Specialty Pharmacy(ies) collects the appropriate Copayment specified by the Department (plus Ancillary Charge, if applicable) from the Enrollee and will charge the Programs the balance of the Discounted Ingredient Cost plus the Offeror's applicable guaranteed dispensing fee set forth in Section 6.10. of the RFP, minus the applicable Copayment for all drugs dispensed through the Specialty Pharmacy Process.

Confirmed.

e. Classify Brand Drugs consistent with the definition in the Glossary of Defined Terms (Attachment 15) as well as the methodology outlined earlier within Section 6.4.1(g)(ii) of the RFP entitled "Brand Drug Determination Methodology."

Confirmed.

f. Classify Generic Drugs consistent with the definition in the Glossary of Defined Terms (Attachment 15) as well as the methodology outlined earlier within Section 6.4.1(g)(iii) of the RFP entitled "Generic Drug Determination Methodology."

Confirmed.

g. Propose a fixed contracted Guaranteed Discount off of Average Wholesale Price (AWP) that will be utilized to determine the Ingredient Cost of the Prescription to charge the Programs. The Offeror's Guaranteed Discount shall be applicable to the aggregate AWP of all Prescriptions for Brand Drugs and Generic Drugs dispensed to Enrollees/Claimants through the Specialty Pharmacy. The Contractor shall guarantee the Procuring Agencies that its management of drug costs dispensed through the Specialty Pharmacy Process shall result in the Programs achieving the Contractor's overall Guaranteed Minimum Discounts during each Program Year as proposed in the Offeror's Financial Proposal. The discounts achieved off of the aggregate AWP for all Brand Drugs and Generic Drugs dispensed to Enrollees/Claimants through the Specialty Pharmacy Process will be calculated utilizing the following formula: 1 minus (Sum of Ingredient Costs of Brand Drugs and Generic Drugs dispensed through the Specialty Pharmacy Process divided by sum of the AWP of Brand Drugs and Generic Drugs dispensed through the Specialty Pharmacy Process). The aggregate discount calculation will be based on Final Paid Claim Pharmacy Prescriptions filled through the Specialty Drug Process. Claims submitted for secondary payer consideration, Compound Drug claims, powders, and subrogation claims must be excluded from the aggregate discount calculation. In addition, claims with a calculated AWP discount greater than 50% must be verified by the Contractor that the quantity and the validity of the calculated discount is correct, subject to the approval of the Procuring Agencies.

Confirmed.

h. If the overall aggregate discounts obtained, as calculated utilizing the formula set forth in the prior paragraph, are less than the Guaranteed Minimum Discount off of Aggregate AWP as proposed by the Offeror in its Financial Proposal, the Contractor shall reimburse the Programs, the difference between the Ingredient Cost the Programs were charged utilizing Lesser of Logic and the Ingredient Cost the Programs would have been charged if the Guaranteed Minimum Discount off of Aggregate AWP had been obtained. The Programs will be credited annually for this difference in Ingredient Cost. The Programs shall retain the benefit of any cost savings, in excess of the Contractor's proposed Guaranteed Minimum Discounts off of Aggregate AWP for all Brand Drugs and Generic Drugs dispensed to Enrollees/Claimants through the Specialty Pharmacy.

Confirmed.

i. This calculation shall be performed by the Contractor for each Program Year based on claims paid for each incurred year. Specifically, the Contractor shall perform a reconciliation to include claims incurred in each Program Year and paid through June of the following Program Year. The reconciliation shall be submitted to the Procuring Agencies on July 31st. The Contractor shall pay/credit each Program the applicable amount, if any, within 30 Days of the Reconciliation Due Date. If the Procuring Agencies' review of the Contractor's calculations indicates an adjustment to the calculation is required, then the Procuring Agencies reserve the right in their sole discretion to make an adjustment to the Contractor's calculations and adjust the amount due to the Programs or to the Contractor

Confirmed.

j. Act in the best financial interests of the Programs when dispensing Generic Drugs through the Specialty Pharmacy Process by avoiding the dispensing of NDC's with higher AWPs unless market conditions exist making dispensing the more cost effective NDC impractical or impossible.

Confirmed.

k. The Contractor is required to maximize savings to the Program through aggressive pricing and discounts, consistent with Lesser of Logic and the Contractor's Financial Proposal. The Contractor agrees that all records supporting Lesser of Logic are subject to audit by DCS and its consultants or other State auditors with authority under Section 8, Additional Provisions and/or Appendices A, B & B-1 of this RFP.

Confirmed.

2. Confirmation – Specialty Pharmacy Program Pricing

a. The Selected Offeror confirms their understanding that the Department reserves the right to remove medications from the Specialty Pharmacy Program Drug List at any time.

Confirmed.

b. The Selected Offeror agrees to perform/fulfill and comply with to the Duties and Responsibilities – Section 6.11 of this RFP, under the subheading "Specialty Pharmacy Program Pricing."

Confirmed.

3. Required Submission – Specialty Pharmacy Program Pricing

a. The Offeror is required to provide the Offeror's Guaranteed Discount off of Aggregate Average Wholesale Price (AWP) for Brand Drugs and Generic Drugs dispensed under the Specialty Pharmacy Program as set forth in Attachment 83, Proposed Claim Reimbursement Quote, of the RFP.

Confirmed.

6.12 100% Pharma Revenue Guarantee

The Empire Plan is one of the largest health insurance plans in the country. The DCS Program has adopted a three-level drug benefit structure for Enrollees to enhance the ability of the DCS Program to obtain direct discounts from manufacturers. The Contractor is required to manage the Program's Drug List and to negotiate on the Programs' behalf, agreements with manufacturers for direct discounts off of the cost of drugs dispensed to Program Enrollees/Claimants. Manufacturer discounts related to Programs utilization can make a drug with a higher AWP competitive with clinically comparable drugs with lower AWPs. However, the Contractor's receipt of revenue related to the Programs' utilization can create a potential conflict of interest in the decision to classify a drug as Preferred, Non-Preferred or excluded.

Full transparency is critical to protecting the interests of the State, Participating Agencies and Enrollees/Claimants and ensuring alignment of the Programs' financial interests with those of the Contractor. This section details the Contractor's duties and responsibilities with regard to management of Pharma Revenue on the Programs' behalf.

Definitions

Pharma Revenue is defined as set forth in the amended Glossary of Defined Terms (Attachment 15). Such revenues means any and all revenues generated from agreements between the pharmaceutical manufacturers and the Contractor and/or its Key Subcontractor or any Affiliate of the Contractor or its Key Subcontractor which relate to Program utilization and/or Pharmacy Benefit Management Services provided under the Agreements. Such revenues include, but are not limited to revenues described as: formulary rebates; market share rebates; administrative fees; AWP caps; inflation protection program; or by any other name including all other revenues collected by Contractor and/or its Key Subcontractor or Affiliate from pharmaceutical manufacturers and attributable to Program utilization. Contractor and/or its Key Subcontractor or Affiliate may not count Federal monies toward the Minimum Pharma Revenue Guarantee. Federal monies for purposes of this definition include the Manufacturer Discount Program, the CMS Direct

Monthly Subsidy, the Catastrophic Reinsurance Subsidy, the Low-Income Cost Share Subsidy, and the IRA Subsidy.

A Final Paid Claim is defined as set forth in the Glossary of Defined Terms (Attachment 15). A Final Paid Claim is a claim processed and paid by the Contractor for a Prescription drug or covered medication, OTC product or non- drug device, provided to an Enrollee/Claimant, including but not limited to, claims for Prescriptions filled at a Retail Pharmacy or through the Mail Service Pharmacy Process or the Specialty Pharmacy Process. A claim that is denied prior to processing is not considered a Final Paid Claim. In addition, a claim that is processed and paid but is subsequently voided, reversed, or otherwise adjusted is not a Final Paid Claim.

Zero balance claims are considered Final Paid Claims. Consistent with the definition of a Final Paid Claim, the Pharma Revenue guarantee per Final Paid Claim quoted applies to rebate eligible and non-rebate eligible claims.

In Calendar Year 2023, there were approximately 17.2 million Final Paid Claims (Commercial + EGWP). This is a subset of the claims that Offerors will see on Attachment 86, Informational Claims Files, which will show Original or Replacement claims as well as Voided claims.

Confirmed.

1. Duties and Responsibilities – Pharma Revenue Guarantee

The Contractor agrees to and shall:

a. Negotiate Pharma Revenue agreements with manufacturers that maximize savings to the Programs, leveraging the significant enrollment of the Programs for each individual drug. The Contractor agrees that any Program specific Pharma Revenue agreement shall derive total Pharma Revenue that meets or exceeds the Pharma Revenue derived from any other Pharma Revenue agreements the Contractor uses to administer its Book of Business for each individual drug.

Confirmed.

b. Pay the Programs quarterly within 60 Days of the end of each quarter, the greater of 100% Pharma Revenue received or the minimum guaranteed amount attributable to the Programs' combined utilization.

Confirmed.

c. Calculate and distribute Pharma Revenue to the Programs in a fully transparent and verifiable process. The Contractor agrees that all direct and indirect revenue arrangements with manufacturers, suppliers, or other vendors shall be disclosed and the revenue generated related or attributable to the Programs' utilization shall be credited to the Programs. The Contractor acknowledges and agrees that the records, methods, and calculations utilized to total and distribute these amounts to the Programs are subject to audit by the State under the audit authority set forth in Section 8, Additional Provisions and Appendices A and B of the RFP thereto. In addition, the Contractor shall pursuant to the terms of this RFP and the resulting Contract provide all agreements as necessary for the Programs to evaluate Drug List decisions including direct access to any manufacturer contracts in unredacted form, under which the Programs is entitled to derive Pharma Revenue pursuant to the terms of the Agreements. If Contractor identifies in writing the information requested as Contractors' Confidential or Proprietary information access to the information will be provided pursuant to Section 8.7, Contractor's Confidential Information.

Confirmed.

d. Not enter into any agreement that has the effect of diverting, shortchanging, or trading off any form of Pharma Revenue that would otherwise be due the Programs for other consideration. There shall be no fees charged to the Programs or received from a manufacturer, separate from the Claims Administration Fees as described and authorized in the RFP, by the Contractor for rebate or other Pharma Revenue administration. The Contractor shall not

divert, shortchange, or trade off Pharma Revenue that would otherwise inure to the Programs' financial benefit for Enrollee/Claimant drug utilization in return for reduced drug acquisition costs or other monetary or non- monetary consideration from manufacturers.

Confirmed.

e. Upon selection of the Selected Offeror and as a condition of contract award and throughout the term of the Agreements, the Selected Offeror/Contractor shall pursuant to the terms of this RFP and the resulting Contract provide, upon the request of the State, all information and documentation related to Pharma Revenue agreements, including but not limited to, full direct access by the Procuring Agencies staff or their agents to complete unredacted Pharma Revenue agreements pursuant to which the Programs derives Pharma Revenue. If Contractor identifies in writing the information requested as Contractors' Confidential or Proprietary information access to the information will be provided pursuant to Section 8.7 Contractor's Confidential Information.

Confirmed.

f. Utilize manufacturer agreements for the Programs that meet or exceed the Contractor's best existing Pharma Revenue agreements for all individual drugs. If the Contractor's business model allows for more than one Pharma Revenue agreement with manufacturers, the Contractor agrees that in no instance will the Programs receive less Pharma Revenue in any therapeutic class than other clients of the Contractor with a comparable benefit design and consistent preferred drug designations in the class, provided the Programs' utilization of the drugs generating Pharma Revenue in the class is equal to or greater than those of other clients. The Contractor, as part of its Proposal, must propose a process satisfactory to the Procuring Agencies to confirm compliance with this provision and must implement and administer said satisfactory process under the Agreements. The Programs shall receive full pass-through of 100% of Pharma Revenue derived from any Pharma Revenue agreement with a pharmaceutical manufacturer. Where any Pharma Revenue contracts allow for higher Pharma Revenue for Mail Service Pharmacy or Specialty Pharmacy Program claims, the Programs will receive the full financial benefit of those higher rates receiving 100% of the Pharma Revenue derived from those agreements on mail order claims. If manufacturer agreements provide less Pharma Revenue for Mail Service Pharmacy or Specialty Pharmacy Program claims than retail claims for the same drug, the terms of the manufacturer agreement applicable to retail claims shall be applied to Program Mail Service Pharmacy and Specialty Pharmacy Program claims for purposes of calculating the amount of Pharma Revenue due the Programs.

Confirmed.

g. The Contractor, as part of its Proposal, must propose a Minimum Pharma Revenue Guarantee Per Final Paid Claim that will be utilized by the Contractor in calculating the minimum annual amount due to the Programs for Pharma Revenue. The Minimum Pharma Revenue amount due the Programs on an annual basis will be calculated according to the formula: Contractor's Minimum Per Final Paid Claim Pharma Revenue Guarantee multiplied by the number of Final Paid Claims (as defined in the Glossary of Defined Terms (Attachment 15), which includes rebate- and non-rebate eligible claims but not Voided claims) incurred for the DCS Program and the NYSIF Program for the respective Program Year.

Confirmed.

h. Ensure the Contractor's Minimum Pharma Revenue Guarantee Per Final Paid Claim is not contingent upon the Programs' participation in any of the Contractor's formulary management or intervention programs, including, but not limited to, step therapy and Brand for Generic (B4G) strategies. The Contractor's Minimum Pharma Revenue Guarantee Per Final Paid Claim is also not contingent on the Program's use of the Contractor's book of business or standard formulary offerings, or the timing of any patent expirations and/or introduction of generic equivalent drugs, including but not limited to early and/or at risk Generic Drug launches. Any B4G strategy proposed must be financially advantageous to the State. The Programs will

review the guaranteed amount only in the event of legislative, regulatory, or judicial action excluding patent litigation not specific to the Contractor's business practices that serves to void existing Pharma Revenue agreements materially compromising the Contractor's ability to obtain contracted Pharma Revenue necessary to meet the Contractor's Minimum Pharma Revenue Guarantee Per Final Paid Claim. Further, any exclusions the Offeror is proposing as part of its Formulary must comply with the requirements of Section 3.14 and 5.15.

Confirmed.

i. Calculate and perform an annual reconciliation of the Pharma Revenue credit to the Pharma Revenue earned. As part of this annual reconciliation the Contractor shall be required to:

i. Calculate the Pharma Revenue guarantee on all Final Paid Claims, incurred for the respective Program Year. The Pharma Revenue guarantee shall be on the aggregate level, not separated for each therapeutic class.

Confirmed.

ii. Credit the Programs an amount calculated based on the following formula: if in any Program Year, the Pharma Revenue realized and credited to the Programs by the Contractor is less than the amount due the Programs as determined utilizing the minimum Pharma Revenue credit set forth above in (g) of this Section, the amount of the credit shall be equal to the difference between the reported Pharma Revenue credited to the Programs and the Contractor's Minimum Pharma Revenue Guarantee Per Final Paid Claim.

Confirmed.

iii. Submit calculations and documentation supporting the amount of Pharma Revenue reported and credited to the Programs for the Procuring Agencies' review and written approval. The Contractor shall provide all information and documentation deemed necessary by the Procuring Agencies to verify the Programs were credited with all Pharma Revenue due it under the terms of the Agreements.

If at the close of any Plan Year, the Pharma Revenue credited to the Programs is greater than the higher of the amount derived through application of the Pharma Revenue guarantee formula or the actual Pharma Revenue realized by the Programs, upon notice and verification by the Procuring Agencies, the DCS Program and the NYSIF Program shall pay the Contractor the difference between the amount previously credited to each Program and the higher of the minimum Pharma Revenue guaranteed amount or actual Pharma Revenue realized during the Program Year.

Confirmed.

iv. If at the close of any Program Year, the Pharma Revenue credited to the Programs is less than the actual Pharma Revenue realized by the Programs, the Contractor shall credit each Program the difference between what was previously credited and the full amount due to the Programs.

Confirmed.

v. Include such reconciliations as part of the Contractor's annual financial summary report. The Procuring Agencies require the Contractor's Minimum Pharma Revenue Guarantee Per Final Claim Paid be credited to the claims experience on the annual financial reports regardless of the amount of Pharma Revenue that has been received by the Contractor.

Confirmed.

2. Confirmation – Pharma Revenue Guarantee

a. The Selected Offeror agrees to the definitions and the Offeror's agreement to perform/fulfill and comply with the duties and responsibilities listed in the Pharma Revenue guarantee section above.

Confirmed.

3. Required Submission – Pharma Revenue Guarantee

a. The Offeror is required to provide its proposed Minimum Pharma Revenue Guarantee Per Final Paid Claim in Attachment 90, Pharma Revenue Guarantee Quote. Offerors may provide a different Minimum Pharma Revenue Guarantee Per Final Paid Claims for each year of the Agreements. The minimum credit to the Programs for Pharma Revenue shall be the Offeror's Minimum Pharma Revenue Guarantee Per Final Paid Claim (as submitted on Attachment 90) times the number of Final Paid Claims paid for each Program for the respective Program Year as defined in the Glossary of Defined Terms (Attachment 15).

Confirmed.

b. The Offeror is required to provide adequate documentation as determined by the Procuring Agencies, to support the Offeror's offer relative to Pharma Revenue. Said documentation is to be provided as Attachment 91, Documentation to Support Pharma Revenue Guarantee Quote, of the Offeror's Proposal.

Confirmed.

6.13 Claims Administration Fees

The Claims Administration Fees are the fees quoted by the Contractor in its Proposal that the Contractor shall charge the Programs to cover all of the administrative services provided by the Contractor. Three separate Claims Administration Fees must be developed and quoted by Offerors for the Programs:

1) DCS Program Primary; 2) EGWP Medicare Primary; and 3) NYSIF Program. The DCS Program Primary Claims Administration Fee covers the Contractor's administration of The Empire Plan for non-Medicare-primary Enrollees, as well as the SEHP. The Contractor's EGWP Medicare Primary Claims Administration Fee covers the Contractor's administration of The Empire Plan for Medicare-primary Enrollees. The Contractor's NYSIF Program Claims Administration Fee covers the Contractor's administration of the NYSIF Program.

Confirmed.

1. Duties and Responsibilities – Claims Administration Fees

The Contractor shall be required to:

a. Be bound by its Claims Administration Fees, as proposed in the Contractor's Proposal for the entire term of the Agreements.

Confirmed.

b. Implement any changes necessary to accommodate Programs modifications resulting from collective bargaining, legislation or within the statutory discretion of the State within 60 Days of notice, or as soon as practicable.

Confirmed.

c. Agree not to request higher Claims Administration Fees, and the Procuring Agencies will not consider any increases to the Claims Administration Fees, that are not based on material

changes to the Programs requiring the Contractor to incur additional costs. The determination of what constitutes a material change will be in the sole discretion of the Procuring Agencies. Implementation of an alternate formulary or multiple formularies shall not constitute a material change and the Contractor agrees to implement, if required, all alternative formularies at the Claims Administration Fees proposed.

Confirmed.

d. Manage all Programs Enrollees/Claimants based on the Contractor's associated Claims

Confirmed.

e. Submit detailed documentation of additional administrative/clinical costs, over and above existing administrative/clinical costs, with any request for an increase in the Claims Administration Fee(s) resulting from a material change in the benefit structure of the Programs. The Procuring Agencies reserve the right to request, and the Contractor agrees to provide any additional information and documentation the Procuring Agencies deem necessary to verify that the request for an increase to a Claims Administration Fee(s) is warranted. The Procuring Agencies' decision to modify the Claims Administration Fees to the extent necessary to compensate the Contractor for documented additional costs incurred shall be at the sole discretion of the Procuring Agencies, subject to the approval of a formal amendment to the Agreement(s) by the New York State Attorney General and New York State Office of State Comptroller.

Confirmed.

f. Implement all benefit designs as required by the Department with or without final resolution of any request for a Claims Administration Fee(s) adjustment. Refusal to implement changes will constitute a material breach of the Agreement(s) and the Procuring Agencies will seek compensation for all damages resulting.

Confirmed.

g. Agree that Claims Administration Fees shall be payable only for Final Paid Claims and that the Programs will not pay a Claims Administration Fee or other charge or fees for any claim that is denied prior to processing or any claim that is subsequently voided, reversed, or otherwise modified.

Confirmed.

2. Confirmation – Claims Administration Fees

a. The Selected Offeror agrees to perform/fulfill and comply with the duties and responsibilities listed in section 6.13.1 Claims Administration Fees above.

Confirmed.

3. Required Submission – Claims Administration Fees

a. The Offeror is required to provide the Offeror's Claims Administration Fees in Attachment 92, Claims Administration Fee(s) Quotes, on a fee per Final Paid Claim basis.

Confirmed.

6.14 Vaccination Network Pharmacy Pricing (Exclusive to DCS)

Empire Plan non Medicare-Primary enrollees can receive ACIP-recommended vaccinations with no Copayment when they are administered by a licensed pharmacist or, when authorized by applicable law or regulation, a pharmacy intern at vaccination network pharmacies. Offerors should quote the DCS program for the Administration Fees associated with the vaccination benefits in Attachment 93, Vaccination Administration Fees, as indicated below. Offeror's Discount Guarantees in Attachment 83, Proposed Claim Reimbursement Quote, should be inclusive of Vaccine Fees, Dispensing Fees and Prescribing Fees, if applicable.

Offeror's Claims Administration Fees in Attachment 92, Claims Administration Fee(s) Quotes, should be inclusive of Vaccines.

Confirmed.

1. Duties and Responsibilities – Vaccination Network Pharmacy Pricing

The Offeror shall be required to quote the DCS Program, on a pass-through basis, as follows:

a. Seasonal Vaccines shall be charged an Administration Fee to the Program on a Pass-through basis, as proposed in Attachment 93, Vaccination Administration Fees;

Confirmed.

b. Non-Seasonal Vaccines shall be charged an Administration Fee to the Program on a Pass-through basis, as proposed in Attachment 93, Vaccination Administration Fees;

Confirmed.

c. COVID-19 Vaccines and Boosters (vaccines and boosters for COVID- 19 are covered without Copayment) and, due to the changing nature of the vaccine coverage and financial information, are agreed to through an Enrollment Form, subject to approval by DCS.

Confirmed.

d. The Offeror shall be bound by its Vaccination Administration Fee, as proposed in the Contractor's Proposal for the entire term of the Agreements; and

Confirmed.

e. Shall implement any changes necessary to accommodate Programs modifications resulting from collective bargaining, legislation or within the statutory discretion of the State within 60 Days of notice, or as soon as practicable.

Confirmed.

2. Confirmation – Vaccination Network Pharmacy Pricing

a. The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities Section 6.14 of this RFP, under subheading "Vaccination Network Pharmacy Pricing."

Confirmed.

3. Required Submission – Vaccination Network Pharmacy Pricing

a. The Offeror is required to complete Attachment 93, Vaccination Administration Fees, for all Seasonal and Non-Seasonal Vaccines dispensed at Network Participating Pharmacies.

Confirmed.

6.15 Payments/(Credits) to/from the Contractor

This section presents details regarding the financial structure and timing of financial transactions related to the Agreements and the specific items Offerors must submit with their Financial Proposal and questions related to those requirements.

The enrollment mix and benefit characteristics are presented in Attachments 23 and 24 (Enrollment by Plan, by Month and Enrollment by Plan, by Age, respectively), and Attachments 71 through 75 (2021-23 Incurred Claims; Selected Financial Data;, 2021-23 Incurred Claims by Month – Combined; 2021- 23 Incurred Claims by Month – EGWP; and 2021-23 Incurred Claims by Month – Commercial, respectively) of this RFP; however, the Procuring Agencies cannot guarantee that, during the term of the Agreements, the same enrollment mix and benefit characteristics as those set forth in Attachment 23 and Attachments 71 through 75 of this RFP will exist.

1. Duties and Responsibilities – Financial Structure and Timing of Financial Transactions

a. Each Procuring Agency will separately reimburse the Contractor for claim payments and associated Claims Administration Fees no sooner than two (2) Business Days and no later than five (5) Business Days after receipt of an accurate invoice, following each claims processing cycle (weekly for the NYSIF Program and bi-weekly for the DCS Programs).The Contractor is required to submit a detailed claim file concurrent with each invoice (for the NYSIF Program) and within fifteen (15) Days after the end of each claims processing cycle (for the DCS Programs) to support the submitted invoices. The data file layout and file transmission protocol will be mutually agreed upon by the Selected Offeror and the Procuring Agencies during Implementation, in accordance with the Offeror's Proposal. Note: On an annual basis coinciding with the end of the State's fiscal year, the Statewide Financial System (SFS) will be shut down for approximately one to two weeks during which no payment transactions will be processed. The shutdown typically occurs between the last week of March and first week of April. The SFS may also be shut down for short periods during other times of the year for maintenance or upgrades or other reasons that are outside the control of the Department. Payments delayed as a result of the SFS shut down will be processed on the first Business Day after the SFS returns to operation.

Confirmed.

b. Any credit amounts due from the Contractor to the Procuring Agencies for failure of the Contractor to meet the performance guarantees set forth in the Agreements shall be applied as a credit against the Claims Administration Fees charged separately to the Programs in the first invoice(s) processed after the performance guarantee has been calculated and agreed to by the Program(s).

Confirmed.

c. Upon final audit determination by the Procuring Agencies, any audit liability amount assessed by the Procuring Agencies shall be paid/credited to the Programs within thirty (30) Days of the date of the Procuring Agencies' final determination.

Confirmed.

d. (Exclusive to DCS) Coordination of Benefit recoveries collected by the Contractor shall be aggregated and paid/credited to the DCS Program within fifteen (15) Days after the end of the month.

Confirmed.

e. Drug litigation recoveries and settlements shall be paid/credited to the Programs within fifteen (15) Days of receipt by the Contractor.

Confirmed.

f. Sixty (60) Days after the end of the first quarter, the Contractor shall pay/credit the Program, the greater of (1) the actual Pharma Revenue received on behalf of the Programs or (2) the Minimum Pharma Revenue Guarantee Per Final Paid Claim, defined in 6.12 and in the Glossary of Defined Terms (Attachment 15), multiplied by the number of Final Paid Claims incurred for the first quarter.

Confirmed.

i. For each subsequent quarter of the Program Year the calculations shall be performed on a cumulative Program Year-to-Date basis. The Contractor shall pay the greater cumulative amount less the amount previously paid for the Program Year.

Confirmed.

ii. The Contractor shall perform a reconciliation by May 31st of each year and the incremental Pharma Revenue amount shall be paid/credited to the Programs within thirty (30) Days of May 31st.

Confirmed.

iii. At the May 31st Pharma Revenue reconciliation, to the extent that any amount is owed by the Contractor, the Contractor shall pay/credit the Programs, within thirty (30) Days after the Final Pharma Revenue reconciliation for the amount owed.

Confirmed.

g. The Agreement(s) is not subject to Article XI-A of NYS Finance Law. The Contractor agrees that Program Services provided under the Agreement(s) shall continue in full force and effect for a minimum of at least thirty (30) days beyond the payment due date as set forth in this Section 6. If after the thirty-fifth (35) calendar day after receipt of an accurate invoice and claims data file, as set forth in this Section 6, the Contractor has not yet received payment from the State for said invoice, the Contractor may proceed under the Dispute Resolution provision in Appendix B, B-1 or B-2 and the Agreement(s) shall remain in full force and effect until such final decision is made, unless the Parties can come to a mutual agreement, in which case, the Agreement(s) shall also remain in full force and effect.

Confirmed.

2. Confirmation – Financial Structure and Timing of Financial Transactions

The Selected Offeror agrees to perform/fulfill and comply with the Duties and Responsibilities listed in the Financial Structure and Timing of Financial Transactions section above.

Confirmed.

3. Required Submission – Financial Structure and Timing of Financial Transactions

a. Describe in detail the Contractor's proposed invoicing process, including the timing for invoice preparation and supporting detail claims files at the end of each cycle, required payment timeframes and whether this structure is in effect for any other self- funded customers.

We bill semimonthly for claims incurred between the first day of the month and the 15th day of the month. Following that, we bill the 16th day through to the end of the month. Invoices include claims paid or reversed, clinical service fees, ancillary fees, administrative fees and any manual claims processed. Enrollee census claims data and other supporting reports may also accompany the invoice. This structure is in place for all self-funded customers.

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Performance Guarantees
RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Offeror Name: OptumRx, Inc. (Optum Rx)

Offerors must submit this Attachment 6 with the Offeror's Technical Proposal Submission – not the Offeror's Financial Proposal.

Offerors shall not propose guarantee(s) that are not listed on this Attachment 6. If guarantee(s) which have not been requested are proposed by an Offeror, such guarantee(s) will not be scored.

[redacted]

ATTACHMENT 83

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Proposed Claim Reimbursement Quote 1/1/25 - 12/31/29 - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

	Proposed Ingredient Cost Discount	Proposed Dispensing Fee Per Claim	Proposed Prescribing Fee Per Claim
Retail Pharmacy Network			
Brand Name Drugs (1)	Guaranteed Minimum Discount off of Aggregate AWP: [redacted]	Guaranteed Maximum Dispensing Fee: [redacted]	Guaranteed Maximum Prescribing Fee (10): [redacted]
Generic Drugs (2)	Guaranteed Minimum Discount off of Aggregate AWP:	Guaranteed Maximum Dispensing Fee:	Guaranteed Maximum Prescribing Fee (10):
Compound Drugs (3)		Guaranteed Maximum Dispensing Fee:	
Mail Service Pharmacy Process			
Brand Name Drugs (4)	Guaranteed Discount off of AWP: [redacted]	Guaranteed Dispensing Fee: [redacted]	
Generic Drugs (5)	Guaranteed Minimum Discount off o Aggregate AWP:	Guaranteed Dispensing Fee:	
Compound Drugs (6)		Guaranteed Dispensing Fee:	
Specialty Pharmacy Program			
Specialty Drugs (7)	Guaranteed Minimum Discount off o Aggregate AWP:	Quote Guaranteed Dispensing Fees in Attachment 89	
Compound Drug Pricing Methodology(ies) (8)			
Proposed pricing methodology(ies)	[redacted]		

ATTACHMENT 83

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Proposed Claim Reimbursement Quote 1/1/25 - 12/31/29 - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Compound Drug Pricing Level of Effort Fee, if applicable (9)

Level of Effort Code	Description
11	Single Ingredient batched capsule; any combination of commercially available products; or
12	Two or three ingredient batched capsule; transdermal gel; or
13	Four or more ingredient batched capsule; three or less ingredient cream/ointment/gel; suppository; two or less ingredient capsule; noncomplex suspension; tablet triturate; or
14	Topical containing controlled ingredient; three or more ingredient troche; four or more ingredient capsule; complex suspensions (e.g., pediatric); custom capsule (includes rapid dissolution preparations); chemotherapy cream/ointment/gel; hormone therapy (capsules, troches, and suppositories); or
15	Sterile product

[redacted]

Source of Therapeutic Category

Provide the source of the therapeutic category classification system you use for preferred drug list development.

If different, specify the source of the category classification system utilized in negotiating pharma revenue agreements.

[redacted]

ATTACHMENT 83

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Proposed Claim Reimbursement Quote 1/1/25 - 12/31/29 - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

(1) Brand Name Drugs dispensed in a Retail Network Pharmacy as well as Brand Name Vaccines dispensed and administered in a Vaccination Network Pharmacy shall be billed to the Programs using Lesser of Logic, incorporating Pass-through Pricing contracted with the dispensing pharmacy. Enter the Offeror's Guaranteed Minimum Discount off of Aggregate AWP for Brand Name Drugs and Vaccines and the Guaranteed Maximum Dispensing Fee for Brand Name Drugs and Vaccines. The amounts quoted will be subject to an annual reconciliation to verify that the Guaranteed Minimum Discount and Guaranteed Maximum Dispensing Fee are achieved.

(2) Generic Drugs dispensed in a Retail Network Pharmacy as well as Generic Vaccines dispensed and administered in a Vaccination Network Pharmacy shall be billed to the Programs using Lesser of Logic, incorporating the Programs MAC list for Retail and Mail Service Pharmacies and Pass-through Pricing contracted with the dispensing pharmacy. Enter the Offeror's Guaranteed Minimum Discount off of Aggregate AWP for Generic Drugs and Vaccines and the Guaranteed Maximum Dispensing Fee for Generic Drugs and Vaccines. The amounts quoted will be subject to an annual reconciliation to verify that the Guaranteed Minimum Discount and Guaranteed Maximum Dispensing Fee are achieved. The Guaranteed Minimum Discount reconciliation will be combined for Retail and Mail Service Pharmacy dispensed Generic Drugs.

(3) Compound Drugs dispensed in a Retail Network Pharmacy shall be billed to the Programs-incorporating Pass-through Pricing contracted with the dispensing pharmacy. Enter the Offeror's Guaranteed Maximum Dispensing Fee for Compounds. The amount quoted will be subject to an annual reconciliation to verify that the Guaranteed Maximum Dispensing Fee is achieved. Compound Drug ingredient costs will be priced using the Offeror's proposed pricing methodology, as set forth on this Attachment 83.

(4) Brand Name Drugs dispensed in a Mail Service Pharmacy shall be billed to the Programs using Lesser of Logic, incorporating guaranteed contracted pricing. Enter the Offeror's Guaranteed Discount off AWP for Brands and the Guaranteed Dispensing Fee for Brands.

(5) Generic Drugs dispensed in a Mail Service Pharmacy shall be billed to the Programs using Lesser of Logic, incorporating the Programs MAC List for Retail and Mail Service Pharmacies and guaranteed contracted pricing. The Offeror's Guaranteed Minimum Discount off of Aggregate AWP for Generic Drugs must be the same as the amount quoted for Retail Network Pharmacies (footnote 2). The Guaranteed Minimum Discount reconciliation will be combined for Retail and Mail Service Pharmacy dispensed Generic Drugs.

(6) Compound Drugs dispensed in a Mail Service Pharmacy shall be billed to the Programs using Lesser of Logic, incorporating guaranteed contracted pricing. Enter the Offeror's Guaranteed Dispensing Fee for Compounds. Compound Drug ingredient costs will be priced using the Offeror's proposed pricing methodology, as set forth on this Attachment 83.

(7) Specialty Drugs dispensed through the Specialty Pharmacy Program shall be billed to the Program using Lesser of Logic, incorporating guaranteed contracted pricing. Enter the Offeror's Guaranteed Discount off AWP for Specialty Drugs dispensed through the Specialty Pharmacy Program. The Offeror may propose a guaranteed contracted dispensing fee, on an NDC basis, for each drug proposed to be included in the Specialty Pharmacy Program on Attachment 89.

(8) The Offeror must propose a pricing methodology(ies) utilizing Pass-through Pricing to be applied to Retail Pharmacy Network and Mail Service Pharmacy Process Compound Drug claims that meet the Programs' definition of a Compound Drug as defined in Attachment 15 *Glossary of defined Terms.* Offerors may propose multiple pricing methodologies utilizing Pass-through Pricing for the Procuring Agencies' review and selection.

(9) For Offerors proposing the use of NCPDP transaction standards for Compound Drugs, enter the Offeror's Level of Effort Fee for each claim level of effort code listed.

(10) Guaranteed Maximum Prescribing Fee would only apply to certain medications (e.g., self-administered oral hormonal contraceptives, per Ch. 128, Laws of 2023) where there is statutory authority for pharmacists, licensed pharmacy technicians, or those named in the law, to prescribe select medications. The Department is aware of several bills in the 2024 NYS legislative session (including, but not limited to: S5263; S5304; S3297/A5995; A2732/S1855; A825) which - if signed into law - would give prescribing powers for certain medications, or statutory authority to order tests to pharmacists and DCS would like to allow for the possibility of future laws giving this authority to pharmacists.

ATTACHMENT 88

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Retail and Mail Service Pharmacy Generic Drugs - MAC List Costs per GPI - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Attachment 88 Instructions Submit in Excel format on a USB Storage Device.

1) For each GPI provide the proposed Empire Plan MAC List for Retail and Mail Service Pharmacy unit cost as of 5/1/2024 in the Retail and Mail Service Pharmacy MAC Unit Cost column. These figures should support the Offeror's proposed guaranteed minimum discounts off the aggregate AWP for all generic drugs dispensed by Retail and Mail Service Pharmacies for the Program.

2) For each GPI indicate with a "Y" (Yes) or "N" (no) whether the MAC price is applicable to all NDCs within the GPI, including any brand NDC in the GPI.

3) If any NDCs within a GPI are exempted from MAC pricing for reasons other than being B-rated or unrated, list the GPI, all excluded NDCs and drug names and the reason for the exclusion in a separate worksheet labeled "excluded NDCs"

4) For each GPI indicate with a "Y" (Yes) or "N" (No) whether a therapeutically equivalent generic (A-rated or Authorized) is available.

GPI	GPI Generic Name	Retail and Mail Service Pharmacy MAC Unit Cost	MAC applicable to all NDCs in GPI? (Y/N)	A-rated or Authorized Generic Available? (Y/N)
[redacted]				

ATTACHMENT 89

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Specialty Pharmacy Program Dispensing Fees - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Instructions: Offerors must submit a completed Attachment 89, including all fields listed below, on a USB Storage Device in Excel form, as part of their Financial Proposal. Propose a Dispensing Fee for each drug. The Dispensing Fee quoted is for the entire duration of this Agreement (1/1/2025 - 12/31/2029).

NDC	Drug Name	Therapeutic Class	Dosage Form (infusion, injection, oral)	REMS (Y or N)	Special Packaging (Y or N)	Offeror's Proposed Guaranteed Dispensing Fee
[redacted]						

ATTACHMENT 90

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Pharma Revenue Guarantee Quote - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Pharma Revenue Guarantee (1)	Per Final Paid Claim (DCS Program)	Per Final Paid Claim (NYSIF)
2025	$	[redacted]
2026	$	
2027	$	
2028	$	
2029	$	

(1) The quote above represents the guaranteed minimum amount due the Programs.

- The State shall receive all (100%) of Pharma Revenue as defined in this RFP.
- The amount must be quoted on a per Final Paid Claim basis, as defined in Attachment 15, *Glossary of Defined Terms*.
- No separate administrative fee to manage the Pharma Revenue process shall apply.

The Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote is not contingent upon specific formulary strategies. Formularies are custom and are subject to the Department's approval. The Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote is not contingent upon the Programs' participation in any of the Offeror's formulary management or intervention programs, including step therapy and Brand for Generic (B4G) strategies. The Offeror may not make such quotes contingent upon use of their Book of Business Formulary. Nor shall the Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote be contingent or dependent on the timing of any patent expirations and/or introduction of generic equivalent drugs, including but not limited to early and/or at risk generic launches. Any B4G strategy proposed must be financially advantageous to the State.

Note:
Offerors must provide adequate documentation as determined by the Procuring Agencies, to support the Offeror's proposal relative to pharma revenue. Documentation should be provided as Attachment 91 of the Offeror's proposal.

ATTACHMENT 91

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Documentation to Support Pharma Revenue Guarantee Quote - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Attachment 91 will consist of the Offeror's Documentation to Support Pharma Revenue Guarantee Quote. Per **Attachment 90, Pharma Revenue Guarantee Quote**, the Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote is not contingent upon specific formulary strategies. Formularies are custom and are subject to the Department's approval. The Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote is not contingent upon the Programs' participation in any of the Offeror's formulary management or intervention programs, including step therapy and Brand for Generic (B4G) strategies. The Offeror may not make such quotes contingent upon use of their Book of Business Formulary. Nor shall the Offeror's Minimum Per Final Paid Claim Pharma Revenue Guarantee Quote be contingent or dependent on the timing of any patent expirations and/or introduction of generic equivalent drugs, including but not limited to early and/or at risk generic launches. Any B4G strategy proposed must be financially advantageous to the State.

[redacted]

ATTACHMENT 92

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Claims Administration Fee(s) Quotes (Period: 1/1/2025-12/31/2029) - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Claims Administration Fees (2)	Quote (1)	Basis of Charge
DCS Program Claims (3) Retail, Mail, Specialty Pharmacy Network, and Vaccination Network - Claims Admin. Fee	[redacted]	Per Each Final Paid Claim
Medicare Rx Program Claims Retail, Mail, Specialty Pharmacy Network, and Vaccination Network - Claims Admin. Fee		Per Each Final Paid Claim
New York State Insurance Fund Program Retail, Mail, and Specialty Pharmacy Network - Claims Admin. Fee		Per Each Final Paid Claim

(1) These quotes are made in accordance with the requirements of Sections 3, 5 and 6 of the RFP.
The quotes must be guaranteed for the period 1/1/2025-12/31/2029.
Changes to these quotes not under the control of the Offeror may be negotiated solely at the Procuring Agencies' discretion.

(2) Offeror must include the cost for administering all project services applicable to the respective Program below. Refer to Attachment 97 for a listing of Program Services applicable to each Claims Administrative Fee component.

(3) Non-Medicare Rx Program Claims

ATTACHMENT 93

CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION OF OPTUM RX

NEW YORK STATE OF OPPORTUNITY. Department of Civil Service

Vaccination Administration Fees - RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Administration Fees for seasonal, non-seasonal and COVID-19 vaccines dispensed through the Vaccination Network shall be billed to the DCS Program on a Pass-through basis. Offeror's should enter their contracted Administration Fees as of May 1, 2024, for each listed vaccine.

Seasonal* Vaccines	Maximum Administration Fee
Standard Influenza Quadrivalent Inactivated Influenza Vaccine (IIV4): Afluria, Fluarix, FluLaval, Fluzone	[redacted]
Cell Culture-based Influenza Quadrivalent Cell Culture-based Inactivated Influenza Vaccine (ccIIV4): Flucelvax	
Intranasal Influenza Quadrivalent Live Attenuated Influenza Vaccine (LAVI4): FluMist	
Recombinant Influenza Quadrivalent Recombinant Influenza Vaccine (RIV4): Flublok	
Adjuvanted Influenza Quadrivalent Adjuvanted Inactivated Influenza Vaccine (aIIV4): Fluad	
High Dose Influenza Quadrivalent High Dose Inactivated Influenza Vaccine (HD-IIV4): FluZone HD	

* Seasonal means August through April

COVID-19 Vaccine	Maximum Administration Fee
COVID-19 Vaccine	[redacted]

Non-Seasonal Vaccines	Maximum Administration Fee
Diphtheria, Tetanus	[redacted]
Diphtheria, Tetanus TOX-AC PERT, AD-Polio, IPV-HIB-Hepatitis B RECMB	
Diphtheria, Tetanus, Pertussis	
Diphtheria, Tetanus, Pertussis, Haemophilus B	
Diphtheria, Tetanus, Pertussis, Inactivated Poliovirus	
Diphtheria, Tetanus, Pertussis, Inactivated Poliovirus, Haemophilus B	
Diphtheria, Tetanus, Pertussis, Inactivated Poliovirus, Hepatitis B	
Diphtheria, Tetanus, Toxoids	
Haemophilus B	
Hepatitis A	
Hepatitis A & B	
RSV	
mpox*	

Non-Seasonal Vaccines	Maximum Administration Fee
Hepatitis B	[redacted]
Human Papillomavirus	
Inactivated Poliovirus	
Measles, Mumps, Rubella	
Measles, Mumps, Rubella, Varicella	
Meningococcal	
Pneumonia	
Rotavirus	
Tetanus	
Haemophilus B Polysac Conj.- Hepatitis B	
Varicella	
Zoster	

*mpox vaccine will **not** be included in the Cost Evaluation due to its effective date of 4/1/24 - the Plan does not have any claims to date.