

I. Summary

A. Purpose/Project Overview

The Advancing NC Whole Health Coalition is a collaboration of three public behavioral health and intellectually developmentally disabled managed care organizations in NC – Alliance Health, Trillium Health Resources and Vaya Health (individually referred to as Coalition members). The goals of the Coalition are to have a stronger voice in preserving the role of the public behavioral healthcare system in NC and to support the State’s vision to transform its Medicaid program from primarily fee-for-service to primarily managed care, while simultaneously helping to ensure continued stability and continuity of care for the people we serve.

As the Coalition works to achieve these goals, we are seeking pharmacy benefit consulting services to identify an optimal Pharmacy Benefit Management (PBM) partner and help us establish favorable contract terms and oversight processes within our North Carolina Medicaid health plan.

B. About the Coalition Members

North Carolina has operated a Medicaid 1915(b)/(c) Waiver for managed behavioral health and intellectual and developmental disability (I/DD) services on a statewide basis since 2013. There are currently seven (7) local governmental entities operating as Prepaid Inpatient Health Plans (PIHP) managing the Waiver on a regional basis. The PIHPs are referred to as Local Management Entities/Managed Care Organizations or LME/MCOs. Three of those LME/MCOs – Alliance, Trillium Health Resources, and Vaya Health – announced on November 15, 2017 the establishment of the Advancing NC Whole Health Coalition. The three organizations serve 53 of the State’s 100 counties, spanning the State from the mountains to the coast, including very rural counties in eastern and western NC and large urban counties in the central part of the State. They are responsible for delivering medically necessary behavioral health and I/DD services on an at-risk basis to 610,000 Medicaid recipients through a closed Network of qualified providers. Members of the Coalition are URAC accredited in the areas of Health Network, Health Call Center, and Health Utilization Management. They operate the full range of managed care functions, including care coordination, utilization management, quality management, claims processing, rate setting, provider reimbursement, network relations, member and provider education and outreach, and program integrity, grievances and appeals. In addition, members of the Coalition have robust initiatives to address social influences of health and maintain strong relationships with other community stakeholders and local agencies that interact with their members, such as county departments of Social Services, Public Health departments, the educational and justice systems, housing agencies, etc.

C. Background on North Carolina’s Medicaid Transformation

Since September 2015, North Carolina’s Medicaid program has been transitioning from a largely traditional fee-for-service model to a program whereby the beneficiary population will be enrolled in full-risk health plans (i.e., Medicaid Managed Care) through an 1115 Medicaid Waiver. This model aims to improve the health of all North Carolinians by developing a whole-person centered system of care that is innovative, collaborative, and sustainable and ultimately establishes more predictable costs for Members and the State. This whole-person care approach will be administered by up to 4 statewide commercial managed care plans and up to 12 regional Provider-Led Entities (PLEs) through a product called a ‘Standard Plan’. These Standard Plans will include coverage for physical health, behavioral health and pharmacy benefits for the general Medicaid population, including those with mild to moderate behavioral health issues. North Carolina’s Managed Care program also includes the creation of a ‘Tailored Plan’

product that will offer physical health, behavioral health, and pharmacy coverage for Medicaid enrollees with severe behavioral health issues and all enrollees with intellectual/developmental disabilities and traumatic brain injuries (TBI). Tailored Plans will operate on a regional basis in the State. Alliance, Trillium and Vaya intend to individually apply to each serve as one of North Carolina’s Tailored Plans.

II. Scope of Work

In addition to Medicaid-covered medical and behavioral health services, Tailored Plans will be at full risk for covered prescription drugs. The Coalition has determined that a PBM contracting partner will be needed to play a lead role in managing this component of the benefits package under the Tailored Plan. The Coalition has further determined that an experienced and focused consulting firm will be valuable to our efforts to select an optimal PBM partner.

We are seeking one qualified pharmacy benefit consultant to assist in the following areas:

- Assist in the development of a pharmacy benefit plan for the special populations the Coalition members will serve as a Tailored Plan
- Develop (in conjunction with Coalition member staff) a PBM request for proposal. .
- Develop PBM contract terms. Distribute the RFP and manage the process while observing applicable purchasing guidelines
- Assist in reviewing/scoring the proposals, and negotiating the contract with the selected PBM.
- The consultant may also be enlisted by each individual LME/MCO to assist with ongoing PBM oversight activities.

III. Timeframe for RFP and Program Implementation

Time Frame for Consultant Selection

Bid Posted Date	January 14, 2019
Vendor Comments & Questions Due Date/Time	January 18, 2019
Answers Posted Date/Time	January 24, 2019
Bid/Proposal Due Date/Time	January 31, 2019
Tentative Award Announcement Date	February 8, 2019
Anticipated Contract Start Date	April 1, 2019

Time Frame for Tailored Plan PBM Vendor Selection*

**Times are subject to change based on direction from NC DHHS*

PBM Vendor RFP Release	November 2019
PBM Responses Due	January 2019
PBM Selection and Award	February 2020
PBM Implementation	July 2020

IV. Qualified Applicants

Applicants must be authorized to do business in the State of North Carolina. Qualified Applicants have experience with Managed Care and Medicaid clients and demonstrate knowledge, experience and depth of understanding of the scope of work.

The designated Coalition Contact for this notification and all other matters pertaining to this RFP is:

Kelly Goodfellow
Alliance Health
Executive Vice President and Chief Financial Officer
Email: kgoodfellow@alliancebhc.org
Phone: (919) 651-8757
Office Address: 5200 West Paramount Pkwy. Suite 200
Morrisville, NC 27560

V. RFP Process

This RFP is posted on the Coalition's website: <https://advancingncwholehealth.com/>
If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than the **5:00 p.m. (EST) on January 18, 2019**. Questions must be in writing and e-mailed to the Coalition Contact person above. The Coalition will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above. The Coalition's responses to written questions will be emailed to recipients of record and posted on the Coalition website no later than **January 24, 2019**. It is the responsibility of each proposer to ensure they have all addenda the Coalition has issued. This may be done by going to the Coalition website prior to the proposal submittal deadline.

Applicants should not contact Coalition Member staff during the timeframe between the RFP release date and submission deadline to discuss the RFP, unless given written permission to do so by the designated Coalition Contact person. .

VI. Submission Requirements

A. General Submission Requirements

Responses must be submitted in both electronic and hard copy formats. An original and four additional copies must arrive at the address listed above by 3:00 PM of the submission date **January 31, 2019**. An electronic copy of the proposal must also be emailed to Kelly Goodfellow by the same deadline.

Responses must be provided in 12 point, Times New Roman font with at least a 1-inch margin on all sides of the page. The overall response must be 40 pages or less, with the exception of requested attachment material, cover sheet, and table of contents.

No attachments can be provided beyond the information explicitly requested within the RFP. Each RFP question must be restated above the Applicant's response to the corresponding question. The restated questions will count towards the overall page limit. Applicants can use their discretion regarding length of response to any given question, subject to the requirement that the overall page limit must be met for the proposal to be deemed responsive and able to score.

B. PRE-CONTRACTUAL EXPENSES

The Coalition members shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal; (2) negotiate with the Coalition on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any. Issuance of this RFP and receipt of proposals does not commit any Coalition Member to award a contract. The Coalition members reserve the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

C. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS

A Proposer may withdraw its proposal at any time prior to the submittal deadline by sending The Coalition contact person a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by the Coalition and not withdrawn becomes an irrevocable offer available for acceptance by the Coalition immediately and for **90** days thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.

D. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of the Coalition, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored. Please note that as public entities, the Coalition Members are subject to North Carolina public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

E. IMMATERIAL DEFECTS IN PROPOSAL

The Coalition Contact person may waive any immaterial deviation or defect in a proposal. Such waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

F. WRITTEN AGREEMENT

The Proposer selected for contract award through this RFP shall be required to enter into one written Constant Agreement with the 3 Coalition Members governing the provision of professional services to the Coalition members. Proposer will also be required to enter into a HIPAA Business Associate Agreement with the Coalition Members.

G. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the Consultant Agreement, which we expect to be **on or about April 1, 2019**.

VII. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in This Section VII. Brevity is preferred.

A. Specific Required Response Content

1. Cover Letter. All proposals must include a cover letter addressed to the Coalition Contact person in Section IV above. At a minimum, the cover letter must contain the following:
Please provide the following information:
 - *Name of Applicant Entity*
 - *Address of Applicant Entity's primary office and/or local office*
 - *Contact Person's name, title, email, and phone number*
 - *Year Applicant began business operations*
 - *Name of parent entity, if applicable*
2. Executive Summary
Provide a brief description of why the Applicant is ideally suited to support the Coalition in this engagement.
3. Relevant Project Volume
Provide the number of PBM selection and/or PBM contract negotiation clients served by the Applicant during each of the last five years (CY2014 through CY2018). Briefly describe the extent to which this project experience was Medicaid-focused, focused on persons with behavioral health needs and/or psychopharmacology, and North Carolina-focused.
4. References
Provide as an Attachment up to five letters of reference from prior client engagements in the past five (5) years, where the scope of work was relevant to this solicitation. These letters must include contact information (including email, phone, and mailing address) such that the Coalition is able to follow up with the Applicant's client organization as desired. The submitted references should include projects worked on by at least one of the team members proposed for this Coalition engagement.
5. Success Example
Describe your greatest client success during the past three (3) years in conducting PBM selection and/or contract negotiation on behalf of a payer. Provide a description of the project's key challenges and how they were overcome.
6. Project Team
Provide a table conveying each proposed project team member's name, title, proposed role on this engagement, number of years at the Applicant entity, and the number of years of relevant work experience. Provide resumes for each project team member (no longer than three (3) pages per individual) as an Attachment.

7. Absence of Conflict of Interest
Describe any contractual relationships the Applicant has that could pose a potential conflict of interest to performing this engagement. If any conflict is identified, describe how this can be mitigated.
8. Revenue from PBMs
Provide the percentage of Applicant's CY2017 revenue acquired directly from PBMs.
9. Experience with Uniform Preferred Drug List
North Carolina will require that a uniform PDL be used by all Medicaid health plans under the Managed Care model. Each of the Coalition members will therefore be at full financial risk for a significant cost area (pharmacy) that we will have limited ability to manage. Describe your project experience in situations where the PBM has no control over the PDL content. Under this model, what can the PBM do to achieve a cost-effective mix of medications? Describe your experience and results PBMs you have worked with have achieved in making the best of this constraint in helping the Coalition members secure optimal cost management performance from our PBM contractor?
10. Benefit Plan Design
Please provide any recommendations about what should be included in a pharmacy benefit design for these populations and your rationale for these recommendations. The Plan Design should include, but not be limited to, consideration supporting 340B contract opportunities, specialty pharmacy services and providers, off-label safety monitoring programs and other pharmacy programs designed to maximize the pharmacy plan while providing optimal cost management of the pharmacy benefit.
11. Medication Access and Adherence
Access to an optimal medication regimen and adherence to the regimen are central components to effective treatment for persons with SMI. How will you encourage PBMs to improve medication access and adherence among the populations served by the Tailored Plan? These models should include, but not be limited to, approaches to encourage communication between enrollees, prescribers, pharmacies, and the PBM (e.g., what will the PBM do when a refill seemingly has not occurred?) Describe your experience and results you have seen PBMs achieve in this area.
12. Appropriate Opioid Use
Describe how you would work with the PBM and with the Coalition in this procurement effort to promote – and ideally achieve – optimal avoidance and reduction in the use of opioid medications. Describe your experience and results you have seen PBMs achieve in this area.
13. Value-Based Purchasing
How do you propose that performance-based compensation be included in the contract between each Coalition member and the PBM? How do you propose that performance-based compensation be included in the business relationship between the PBM and network pharmacies? Provide examples of questions you would include in the PBM RFP and examples of

suggested contract language. Describe your experience and results you have seen PBMs achieve with performance based payment to pharmacies.

14. Prior Authorization

Provide suggestions for how the prior authorization processes for prescription drugs should be handled between PBM and personnel of the Coalition members, with the aim of achieving administration simplification, appropriate medication use, and cost-effectiveness. Describe the rationale for these recommendations (e.g., results achieved).

15. Drug Utilization Review (DUR)

Provide suggestions for how the prospective and retrospective DUR processes should be handled between PBM and personnel of the Coalition members, with the aim of achieving administration simplification, appropriate medication use, and cost-effectiveness. Describe the rationale for these recommendations (e.g., results achieved).

16. Other management tools and techniques

Please identify other management tools and techniques you have used or are familiar with and would recommend as part of the criteria in assessing potential PBMs. Describe how the PBM can help manage members on multiple behavioral and physical health medications and results achieved in this area.

17. Network

Describe what a network of pharmacies and prescribing providers should contain for the special populations the Coalition members will serve as a Tailored Plan. Include how the Coalition members and/or the PBM can educate and train its members, providers and staff about the PBM and best pharmacy practices. Describe steps you have taken and accomplishments achieved in ensuring that the pharmacy delivery network adequately addresses the needs of members with specialized needs.

18. Integration of Pharmacy with Care Coordination Activities conducted by the Coalition members

Convey your suggestions regarding how the PBM can best support optimal care through “whole person” coordination across the Tailored Plan enrollees’ physical health and behavioral health needs. Describe the rationale for these recommendations (e.g., results achieved).

19. Claims Processing

Please indicate your experience in evaluating the ability of PBMs to process claims and report utilization and cost data needed for management.

20. Performance and Outcomes Measures

Please indicate what types and specific performance and outcomes measures you would include in evaluating PBM performance. Are you familiar with how PBMs do this today?

21. PBM Financial Transparency

Describe your approach to ensuring that PBMs’ legitimate costs and its profit margins will be adequately discerned for the Coalition member line of business, such that the contract is viable for the PBM and the profit margin is appropriately modest for a Medicaid environment.

22. PBM RFP Scoring

Describe how the PBM RFP can best be scored. Provide a suggested scoring weighting across the areas you feel should be included in the PBM RFP.

23. Cost Proposal – Draft RFP

Provide a fixed price for your consulting support in developing an RFP for PBM support. Provide a build-up to this fixed price by subtask.

24. Cost Proposal – PBM Contract

Provide a fixed price for your consulting support in developing a draft contract between members of the Coalition and the PBM.

25. Cost Proposal – PBM Proposal Evaluation

Provide a fixed price for your consulting support in working with the Coalition to evaluate the proposals submitted by the PBMs. Assume that three to seven proposals will be received and show the price for each volume of PBM respondents to the RFP (three respondents to seven respondents). Provide a build-up to this fixed price regarding the number of team members involved and their expected labor effort. We anticipate three days of on-site proposal evaluation. Travel costs will be reimbursed separately from the fixed price, in accordance with federal travel reimbursement policies.

26. Cost Proposal – Hourly Work

Provide an hourly rate schedule by project team member for additional project work not included within the scope of services described above. At a minimum, this work will include assisting the Coalition members in contract negotiations with the selected PBM partner.

27. Suggested Ongoing Support

Provide suggestions regarding how your organization can best support the Coalition members as the Tailored Plan evolves, such as operational oversight of the PBM contractor, ensuring effective implementation/integration of the PBM prior to our initiation of operations, and other areas you would encourage us to consider.

VIII. Review and Scoring of Proposals

A review team comprised of identified representative(s) from each member of the Coalition will score each Applicant on a scale of 0-10 for each question. An overall score will be determined for each Applicant for each question through review team discussion/interaction. The Coalition reserves the right to invite applicants for an in-person interview. The Coalition will enter into contract negotiations with the top scoring Applicant. If these negotiations are successful, we will notify all other Applicants of our decision. If the negotiations are unsuccessful, the Coalition will enter into negotiations with the next highest scoring Applicant.