

Amendment #1
 Issued on: October 7, 2019

For Request for Proposals RFP-MQD-2020-004
 Fiscal Agent and Pharmacy Benefits Manager Services

#	RFP Section #	RFP Language	Amendment
1	10.10	<p style="text-align: center;">Paragraph 2, last sentence reads:</p> <p>...The FA/PBM is required to provide its own system for processing and authorizing prior authorization for pharmacy and non-pharmacy services, and processing, adjudicating and reports on pharmacy and non-pharmacy claims.</p>	<p>Paragraph 2, last sentence is amended to read:</p> <p>The FA/PBM is required to provide its own system for processing and authorizing prior authorization for pharmacy claims. Non-pharmacy claims are to be entered and processed in HPMMIS. The FA/PBM is responsible to process, adjudicate and generate reports on pharmacy and non-pharmacy claims."</p>
2	20.10	RFP Timeline	Table 2-1 Estimated Procurement Schedule is replaced by attached revised Table.
3	40.27.1	<p style="text-align: center;">AUTH1 Prior Authorization</p> <p>Process prior authorization requests within 72 hours of the receipt of the request 100% of the time unless additional information is necessary to process the prior authorization.</p> <p style="text-align: center;">AUTH11</p> <p>Receive requests for medical authorization and processes in accordance with Hawaii Administrative Rules. Timeframe for processing request is within fourteen (14) calendar days of receipt for a standard authorization request and three (3) business days for an expedited authorization request. Determination letters shall be provided to the provider who requests the medical authorization.</p>	<p>AUTH1 Prior Authorization is amended to read:</p> <p>Process prior authorization requests within 14 days of the receipt of the request 100% of the time unless additional information is necessary to process the prior authorization. AUTH11 Prior Authorization is amended to read:</p> <p style="text-align: center;">Delete "Receive requests for medical authorization and processes in accordance with Hawaii Administrative Rules."</p>
4	40.28.1 and Appendix P	<p style="text-align: center;">40.28.1 Call Center Operations</p> <p>Provider call center operations Monday through Friday from 8:00 AM to 5:00 PM HST, except for observed State holidays;</p> <p style="text-align: center;">LINE1 Provider Hotline:</p> <p>Maintain and staff a provider communications function to include intrastate, toll-free telephone lines that are staffed during the hours of 7:30 a.m. to 5:00 p.m., Hawaii Standard Time, Monday through Friday, except for State holidays.</p>	<p>LINE1 to be amended to read as follows:</p> <p style="text-align: center;">"Maintain and staff a provider communications function to include intrastate, toll-free telephone lines that are staffed during the hours of 8:00 a.m. to 5:00 p.m., Hawaii Standard Time, Monday through Friday, except for State Holidays."</p>

#	RFP Section #	RFP Language	Amendment
5	60.70	<p style="text-align: center;">Confidentiality of Information</p> <p>In addition to the requirement of General Conditions 24, the Contractor understands that the use and disclosure of information concerning applicants, enrollees or members is restricted to purposes directly connected with the administration of the Hawaii Medicaid EHR Incentive program and agrees to guard the confidentiality of an applicant's or member's information as required by law.</p>	<p>Section 60.70 – Confidentiality of Information is amended to read:</p> <p>In addition to the requirement of General Conditions 24, the Contractor understands that the use and disclosure of information concerning applicants, enrollees, or members is restricted to purposes directly connected with the administration of the <u>FA/PBM</u> and agrees to guard the confidentiality of an applicant's or member's information as required by law.</p>
6	70.11	<p>Offeror Proposal, Table 7-1 Formatting Requirements, box for Exceptions to RFP/Contract Language</p>	<p>Offeror Proposal, Table 7-1 Formatting Requirements, box for Exceptions to RFP/Contract Language is amended to read:</p> <p>“If the Offeror objects to any term or condition of the RFP, exceptions must be submitted on the form in Appendix B and included with the <u>Technical Proposal.</u>”</p>
7	Appendix O	<p style="text-align: center;">CLAIMS18 Claims</p> <p>Claims: Process hard copy claims and attachments to be ready for adjudication by HPMMIS within 5 business days of receipt with an error rate of less than 4.2%.</p>	<p>Claims18 is amended to read:</p> <p>Process hard copy claims and attachments to be ready for adjudication by HPMMIS with <u>5 3</u> business days of receipt with an error rate of less than <u>3%</u></p>
8	Appendix O	<p style="text-align: center;">C2 Correspondence</p> <p>Print and mail explanation of benefits to FFS recipients</p>	<p>C2 Correspondence is amended to read:</p> <p>Print and mail Remittance Advices</p>
9	Appendix P Provider Hotline	<p style="text-align: center;">LINE8</p> <p>Support communication in Hawaii's six languages, not including English, and must be able to support additional languages (including languages that use non-Western scripts).</p>	<p>LINE8 will be amended as follows:</p> <p>“Support communication in Hawaii's six <u>four</u> <u>languages (Chinese Vietnamese, Korean and Ilocano)</u>, not including English, and must be able to support additional languages (including languages that use non-Western scripts).”</p>
10	Appendix R	<p style="text-align: center;">Step III – Evaluation of Cost Proposals</p> <p>The following pricing schedules will be evaluated and validated:</p> <ul style="list-style-type: none"> ■ Pricing Schedule A – Total Evaluated Proposal Price. ■ Pricing Schedule B – Evaluated SLR Proposal Price. ■ Pricing Schedule C – Evaluated FA Proposal Price. ■ Pricing Schedule D – Evaluated Proposal Price for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and Payment of SLR and FA functions. ■ Pricing Schedule E - Personnel Billing Rates & Related Services. 	<p>See attached revised Step III of Appendix R.</p>

20.10 RFP Timeline

The delivery schedule set forth herein represents MQD's best estimate of the schedule of this procurement. If a component of this schedule, such as Proposal Due date, is delayed, the rest of the schedule will likely be shifted by the same number of days. The estimated procurement schedule is as follows:

Table Error! No text of specified style in document.-1 Estimated Procurement Schedule

ACTIVITY	DATE
Legal Ad Date / Issue RFP	September 11, 2019
Notice of Intent to Propose	September 23, 2019
Submission of Written Questions	September 25, 2019
Written Responses to Questions	October 7, 2019
Proposals Due	November 1, 2019
Estimated Contract Award	November 18, 2019
Estimated Contract Start Date	December 9, 2019

APPENDIX R - EVALUATION CRITERIA

This appendix describes the process for opening of proposals and evaluation of the Technical and Cost Proposals. The purpose of the evaluation process is to determine whether each Offeror's proposal is sufficiently responsive to the RFP to permit a complete evaluation of the Technical Proposal. The evaluation process is divided into the steps outlined in the RFP.

Step I – Selection of Responsive Proposals

During Step I, the proposal is evaluated to determine if it meets all mandatory requirements as outlined in Appendix M. If the proposal does not meet the mandatory requirements, it will be disqualified and returned to the Offeror. All proposals meeting all mandatory proposal requirements will then be evaluated against the predetermined technical evaluation criteria in Step II, Evaluation of Technical Proposals.

Step II – Evaluation of Technical Proposals

During Step 2, the Evaluation Committee will score each Technical Proposal that passed Phase I of the evaluation. A maximum of 700 points will be available for each Technical Proposal. Each proposal will be reviewed using consensus scoring by the Evaluation Committee for responsiveness to each requirement. Failure of an Offeror to comply with the instructions of the RFP or failure to submit a complete proposal are grounds for deeming the proposal nonresponsive to the RFP.

The MQD Financial Officer or designated staff will conduct a review of each Offeror's financial information provided in the proposal to determine financial stability. Only those proposals that receive a Pass score on the Offeror's Financial Stability from including all the requested financial documentation will continue to be scored by the Evaluation Committee in Step II.

Members of the Evaluation committee will meet as a group to score each Technical Proposal by consensus and the agreed upon score will be recorded in the Technical Evaluation Scoring Form.

The Offeror's proposal will be scored against specified criteria as defined in the following table:

Table 1-1 Scoring

SCORE	DEFINITION
0	No response provided.
1	The response does not meet the minimum requirement(s) stated in the RFP.
2	The response marginally meets minimum requirements but does not adequately explain or address how the requirement is met so the evaluator cannot determine whether it meets the requirements.
3	The response meets the requirement with only minor deficiencies that are easily correctable.
4	The response meets and adequately addresses the requirements.
5	The response adequately addresses and substantially exceeds the requirements.

The Evaluation Committee scores each criterion with a 0, 1, 2, 3, 4, or 5 based on the consensus of the Evaluation Committee members. No fractional scores will be allowed. Scores will be based on the content as communicated in the proposal. Unclear and disorganized presentation of information may impact the evaluators' ability to clearly understand the responsiveness to proposal requirements.

A comment section is provided on the Technical Evaluation Scoring Form. The Evaluation Committee must record a comment for any score of 1, 2, 3 or 5. Comments for criteria receiving a score of 4 are not required.

The Evaluation Committee will score based on the evaluation criteria for each category. The score will be multiplied by the assigned weights within the category. Table 1-2 presents the evaluation criteria for each technical category to be evaluated and the Total Possible Points for all criteria.

The weights of the evaluation criteria are followed by the total maximum points for each criterion (weight / maximum points). For example, if the Evaluation Committee marks Category 2.1 - Experience with SLR Implementation with a score of 5, then this score is multiplied by the weight

(6 in this instance) to give the criterion a score of 30, the maximum score possible for this criterion.

Table 1-2 Point Distributions for Technical Proposals

CATEGORY / CRITERIA	PROPOSAL CATEGORY	WEIGHT / POINTS
1	Offeror’s Financial Stability	Pass or Fail
2	Offeror Qualifications and Experience	100
2.1	Experience with Fiscal Agent Operations	30
2.2	Experience as a Pharmacy Benefits Manager Operations	30
2.3	Experience in Drug Rebate Program Operations	30
2.4	Experience in Maintenance and Operations of similar systems	10
3	Approach to PBM and Drug Rebate Implementation	150
3.1	Implementation	25
3.2	Planning and Transfer	25
3.3	Administration & Oversight	50
3.4	Maintenance & Operations	50
4	Approach to FA Operations	150
4.1	System	25
4.2	Planning and Transfer	25
4.3	Claims Processing	75
4.4	Prior Authorization	25
5	Approach to Administrative Tasks	175
5.1	Project Management	25
5.2	Testing	25
5.3	Provider Relations, Outreach, and Training	50
5.4	Payment	50
5.5	Document Management and Reporting	25
6	Approach to Project Staffing	75

CATEGORY / CRITERIA	PROPOSAL CATEGORY	WEIGHT / POINTS
6.1	Approach to Staffing and Project Organization	25
6.2	Project Manager	25
6.3	PBM SME	10
6.4	FA SME	10
6.5	Medical Coder SME	5
7	Approach to Work Plan and Schedule	50
7.1	Work Plan and Schedule	50
	Total Technical Proposal Possible Score	700

MQD reserves the right to conduct reference checks on any or all references provided by the Offeror. The same number of references will be checked for each Offeror (corporate or key person references). Reference checks will be conducted by the designated Evaluation Committee Reference Team members and the results provided to all evaluators. Once reference checks are completed, the Evaluation Committee will review their scores of Offeror responses in the context of responses to reference checks. The Evaluation Committee may revise its original technical scores based on information from references (from 1 to 5) and consensus of the Evaluation Committee members. If a technical score is changed, based on information provided from a reference, the Evaluation Committee will note the reason for the score change.

Determination of Overall Technical Scores and Application of Thresholds

Once the Evaluation Committee has completed the final scoring (each Technical Proposal has been assigned a point score on each of the criteria within the category), the total point score for each category will be calculated. The point scores for each category will be summed to determine the Technical Proposal's total score.

All Offerors meeting the minimum requirements of the Technical Proposal will proceed to Step III. The scoring packages will be reviewed and validated by the Evaluation Committee.

Step III – Evaluation of Cost Proposals

During Step III, the Evaluation Committee will evaluate the proposed prices on each of the pricing schedules to determine whether the Cost Proposal is consistent with the Technical Proposal and whether all calculations are correct. Cost Proposals will be opened by the Evaluation Committee. The Evaluation Committee will meet to review the Cost Proposals. The Evaluation Committee will:

- Validate that required signatures are present;
- Validate that prices on each schedule have been calculated correctly; and
- Validate that the Total Evaluated Proposed Price (Pricing Schedule A) has been calculated correctly based upon the proposed prices on each of Schedules B, C, and D.

The following pricing schedules will be evaluated and validated:

- Pricing Schedule A – Total Evaluated Proposal Price.
- Pricing Schedule B – Evaluated FA/PBM Proposal Price.
- Pricing Schedule C – Evaluated Proposal Price for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and FA and PBM functions.
- Pricing Schedule D - Personnel Billing Rates & Related Services.

If the Evaluation Committee seeks clarification from any Offeror who is a determined to be a priority-listed Offeror, an Evaluation Committee member will be assigned responsibility for following up with the Offeror(s). The designated person will be responsible for contacting the Offeror by telephone to provide advance notice of the request for clarification. The telephone call will be followed by a written (email) notice sent to the Offeror. The Offeror will be requested to respond in writing to the clarification request within a specified time period. Only written clarifications within the time period will be accepted. All other clarifications will be rejected. If an Offeror's clarifications are rejected, the original proposal response will be evaluated.

Once clarifications have been received, the Evaluation Committee will review the responses against the specified criteria and re-score criteria. The scores of the clarified responses will replace the original scores.

Scoring of Offerors Proposed Prices

Scores for Cost Proposals will be recorded on the Cost Proposal Evaluation Form. Once all of the pricing schedules have been evaluated and validated, the Cost Proposal with the lowest total price as stated as the Total Evaluated Proposal Price on Schedule A will be awarded (300) points. Cost scores will then be normalized to one another, based on the lowest Cost Proposal evaluated. The normalization formula is as follows:

Offeror's Cost Score = (Lowest Cost Proposal Price divided by the Offeror's Cost Proposal Price) X 300.

Example:

OFFEROR 1	COST	POINTS
Total Evaluated Proposal Price (Lowest)	\$600	300

OFFEROR 2	COST	POINTS
Total Evaluated Proposal Price	\$800	225

(Lowest Cost Proposal Price) = \$600 / (Offeror 2's Evaluated Proposal Price) = \$800 = 0.75

300 points X 0.75 = 225 points for Offeror 2

Best and Final Offers

MQD reserves the right to require best and final offers from those Offerors whose Technical Proposals are eligible for consideration under Step III and who have been identified as "priority-listed Offerors." If MQD decides to pursue best and final offers, it will follow the process outlined in Hawaii Administrative Rules §3-122-54 Best and Final Offers. If best and final offers are required after opening the Cost Proposals, the Evaluation Committee will be responsible for contacting Offerors by telephone to provide advance notice of the request for best and final offers. The telephone call will be followed by a written (email) notice sent to the Offeror. The Offeror will be requested to respond in writing with a best and final offer by submitting revised Cost Proposals within a specified time period. Only best and final offers received within the time period will be accepted. If an Offeror's best and final offer is rejected, the original proposal response will be evaluated.

Once clarifications have been received, the Evaluation Committee will review the best and final offers represented in the revised Cost Proposals against

the specified criteria and re-score the Cost Proposals. The Cost Proposal scores based on the best and final offers will replace the original scores on the Cost Proposal Evaluation Form (Appendix F).

Step IV - Selection of a Successful Offeror

The Evaluation Committee will combine the scores of each Offeror's Technical and Cost Proposals and rank the Offerors based on the total combined points received for Technical and Cost Proposals. The evaluation results will be summarized and the Successful Offeror identified and recommended to the Procurement Officer. The Evaluation Summary will include the Proposal Summary and Ranking Form.

MQD will require the selected Successful Contractor to participate in contract negotiations regarding the terms and conditions of the contract. Upon resolution of the final negotiations, MQD will prepare a final contract. If for any reason MQD and the Successful Offeror are unable to reach agreement of the terms and conditions of a contract, MQD may then proceed to negotiate a contract with the Offeror with the next highest ranked proposal.

MQD may cancel negotiations entirely at any time at the exclusive discretion of MQD.

To secure maximum FFP and State matching funds, the contract award is contingent upon both Federal and State of Hawaii reviews and approvals. MQD will obtain all required State and Federal approvals prior to start of work by the Contractor. Every effort will be made by MQD, both before and after selection, to facilitate rapid approval.