

## RFP # 22-68785 HIV Services Program Benefits Management Services

### Attachment D - Cost Proposal/Budget Narrative

Answer all the questions.

List any service you plan to contract for. Describe all expenses.

Please provide a description of the resources that will be required to perform the tasks requested in this RFP.

Include a copy of your indirect cost plan within scope of the project.

Questions one through six have corresponding rows in the Sample Month Cost Matrix. After providing a narrative explanation of the costs in questions one through six, quantify them by putting the figures in the Sample Month Cost Matrix. If you do not charge certain fees for which you are asked about in questions one through six, specify such in the narrative and put a zero in the appropriate spot in the matrix.

**1. Drug Ingredient Cost.** Describe the drug ingredient costs that will be charged to IDOH. These will be **in addition** to the drug ingredient costs paid to pharmacies. If you do not charge IDOH any more than you reimburse pharmacies, specify such in the narrative and put a zero in the appropriate spot in the Sample Month Cost Matrix. Do not include IDOH drug rebates into your cost. IDOH obtains rebates on its own through the federal 340B rebate process, which defines specific Unit Rebate Amounts for each drug. Contractor will not be required to negotiate for or obtain rebates on behalf of IDOH.

- In a narrative, describe the drug ingredient costs that will be charged to IDOH when clients get their brand name drugs at retail pharmacies. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 1a.
- In a narrative, describe the drug ingredient costs that will be charged to IDOH when clients get their generic drugs at retail pharmacies. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 1b.
- In a narrative, describe the drug ingredient costs that will be charged to IDOH when clients get their brand name drugs at Public Health Service pharmacies. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 1c.
- In a narrative, describe the drug ingredient costs that will be charged to IDOH when clients get their generic drugs at Public Health Service pharmacies. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 1d.
- In a narrative, describe the drug ingredient that will be charged to IDOH when clients get their drugs through mail order. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 1e.

a. For brand name drugs filled at retail pharmacies MC-Rx will charge IDOH the ingredient cost amount we pay the retail pharmacy. The price/discount at different pharmacies varies based on the Pharmacy Agreement between MC-Rx and the retail pharmacy. MC-Rx will charge IDOH whatever it pays the retail pharmacy for the prescriptions in the ADAP program.

b. For generic drugs filled at retail pharmacies MC-Rx will charge IDOH the ingredient cost amount we pay the retail pharmacy.

c. For brand name drugs filled at Public Health Service pharmacies MC-Rx will charge IDOH the ingredient cost amount we pay the retail pharmacy.

d. For generic drugs filled at Public Health Service pharmacies MC-Rx will charge IDOH the amount we pay the retail pharmacy.

e. MC-Rx will charge IDOH AWP - 17.0% for brand name drugs and AWP - 85.0% for generic drugs filled at ProCare Pharmacy Care (a commonly owned affiliate company to MC-Rx). Any other prescription filled at a mail order pharmacy will be passed through to IDOH at the amount paid to the pharmacy.

**2. Dispensing Fee.** Describe the dispensing fees that will be charged to IDOH. These will be **in addition** to the dispensing fees paid to pharmacies. If you do not charge IDOH any more than you reimburse pharmacies, specify such in the narrative and put a zero (0) in the appropriate spot in the Sample Month Cost Matrix.

- In a narrative, describe the dispensing fees that will be charged to IDOH when clients obtain their prescriptions for HIV antiretroviral drugs. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 2a.
- In a narrative, describe the dispensing fees that will be charged to IDOH when clients obtain their prescriptions for drugs other than antiretrovirals. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 2b.
- In a narrative, describe the dispensing fees that will be charged to IDOH when clients obtain their prescriptions for drugs through mail order. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 2c.

a. For HIV antiretroviral drugs MC-Rx will charge IDOH the dispensing fee amount we pay to the pharmacy which will be no more than \$2.25.

b. For drugs other than antiretroviral drugs MC-Rx will charge IDOH the dispensing fee amount we pay to the pharmacy which will be no more than \$2.25.

c. MC-Rx will not charge a dispensing fee for mail order prescriptions filled at ProCare PharmacyCare (a commonly held affiliate company).

**3. Claims processing fee when IDOH is the primary payer.** In a narrative, describe the fees that will be charged to IDOH to process each pharmacy claim when IDOH is the primary payer. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 3.

MC-Rx will charge IDOH a per Rx administrative fee for each primary payer prescription dispensed in the ADAP program. The fee is \$10.00 per net paid claim.

Thus, a paid claim is +1. a reversed claim is -1 and rejections are not included. Therefore, a prescription that has two paid claims and one reversed claim counts as one net paid claim and incurs one fee.

**4. Claims processing fee when IDOH is the secondary payer.** Describe the fees that will be charged to IDOH to process each pharmacy claim when IDOH is the secondary payer and payment must be coordinated with the primary payer. Most of these claims will be filled through pharmacies to coordinate benefits through online adjudication and split billing. For some claims, however, Contractor will coordinate benefits with individual clients when they submit hard copy Explanation of Benefits forms for reimbursement.

- a. In a narrative, describe the claims processing fee that will be charged to IDOH when IDOH is the secondary payer and Contractor coordinates the clients' benefits with a pharmacy. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 4a.
- b. In a narrative, describe the claims processing fee charged when IDOH is the secondary payer and Contractor coordinates benefits with individual clients. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 4b.

a. MC-Rx will charge IDOH a per Rx administrative fee for each secondary payer prescription dispensed in the MDAP, HIAP and HIP programs and benefits are coordinated with the pharmacy.

The fee is \$6.00 per net paid claim. Thus, a paid claim is +1. a reversed claim is -1 and rejections are not included.

Therefore, a prescription that has two paid claims and one reversed claim counts as one net paid claim and incurs one fee.

b. MC-Rx will charge IDOH a per Rx administrative fee for each secondary payer prescription dispensed in the MDAP, HIAP and HIP programs and benefits are coordinated with a client manually submitted claim.

The fee is \$25.00 per net paid claim. Thus, a paid claim is +1. a reversed claim is -1 and rejections are not included.

Therefore, a prescription that has two paid claims and one reversed claim counts as one net paid claim and incurs one fee.

Historically over the prior contract periods, this fee has not had to be charged.

**5. Miscellaneous fees charged to IDOH.** Describe any other miscellaneous fees that will be charged to IDOH. The narrative and Sample Month Cost Matrix provide space for three miscellaneous fees.

- a. Fee one. In a narrative, describe the basis of the miscellaneous fee and what services will be provided for that fee. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 5a.
- b. Fee two. In a narrative, describe the basis of the miscellaneous fee and what services will be provided for that fee. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 5b.
- c. Fee three. In a narrative, describe the basis of the miscellaneous fee and what services will be provided for that fee. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 5c.

a. Unified Group Services charges a \$26.25 per member per month administrative fee for medical claim administration, eligibility management & transmittal to MC-Rx, claim and admin billings, releasing payments to providers, and all reporting required by IDOH. This fee is applicable to any client enrolled in ADAP/EIP, MDAP, HIAP, and/or HIP program. In addition there will be a \$8.00 per member per month fee for Encore Health Network access for those clients enrolled in EIP program.

b. Unified Group Services charges a \$8.00 per EIP client per month administrative fee for Encore Health Network access to coordinate IDOH paying a lower negotiated rate for EIP approved services.

**6. Miscellaneous fees charged to pharmacies.** Describe charges that are applied to pharmacies for using your services, such as point-of-sale access or switching fees. These are charges that are not reimbursed by IDOH. The narrative and Sample Month Cost Matrix provide space for two miscellaneous fees.

- a. Fee one. In a narrative, describe the basis of the miscellaneous fee and what services are provided for that fee. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 5a.
- b. Fee two. In a narrative, describe the basis of the miscellaneous fee and what services are provided for that fee. In the Sample Month Cost Matrix, quantify the costs and put the figure in Column A, Row 5b

Pharmacies are charged a per claim Administrative fee that is determined by the Pharmacy Network agreement. There is a range for these fees. The range is up to \$0.08 per transaction. The purpose of the fee is to support pharmacy network administration, invoicing and remittance information to pharmacies and accreditation services. This fee is not included in any of the ingredient costs or per Rx fees charged to IDOH.

There are no other fees charged to pharmacies.