

**ADDENDUM NO. 5 TO THE FOLLOWING INVITATION TO NEGOTIATE (ITN):**

**PHARMACY BENEFIT MANAGEMENT SERVICES**

**ITN NO.: DMS-19/20-030**

Date: April 7, 2020  
To: Prospective Respondents to ITN No.: DMS-19/20-030  
From: Shannon Bagenholm, Procurement Officer  
Subject: Updates to ITN and Questions and Answers

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1. The Invitation to Negotiate, ITN No.: DMS-19/20-030, is hereby amended as follows:
  - a) Section 1.3, Overview of the State Group Insurance Program, is hereby amended as follows, with the added language highlighted:

**1.3 Overview of the State Group Insurance Program**

Per section 110.123, Florida Statutes, the Department's Division of State Group Insurance administers the State Group Insurance Program ("Program"). The Program is a package of insurance benefits, including health insurance options, flexible spending and health savings accounts, life insurance, dental insurance, and other supplemental insurance products for State employees and retirees, COBRA participants, and covered spouses and/or children ("Dependents"). Each enrolled employee, retiree, surviving spouse, or COBRA participant that is the primary insured is a "Subscriber", "Enrollee", or "Member." Each individual person covered under the Program is a "Participant."

Through the Program, the Department currently offers Subscribers the option of four (4) medical benefit plan designs. Two (2) of these are Preferred Provider Organization ("PPO") plans, while the other two (2) plans are Health Maintenance Organization ("HMO") plans. The PPO options are currently self-funded, with medical benefits administered by a single Third-Party Administrator ("TPA"). The HMO options are currently administered by four (4) separate HMOs, with a mix of self-funded and fully insured arrangements.

The PPO options are as follows:

- The PPO Standard Plan
- The PPO High Deductible Health Plan (with a Health Savings Account (HSA))

The HMO plan options are:

- The HMO Standard Plan
- The HMO High Deductible Health Plan (with an HSA)

All medical benefit plans currently have pharmacy benefits administered by a **single self-insured** PBM, CVS Caremark, with the exception of Medicare Advantage HMO and PPO subscribers, whose pharmacy benefit is administered by the respective HMO or PPO.

The chart below provides enrollment and utilization information for Plan Year 2019.

2019 State Employees' Prescription Drug Plan	
Approximate Number of Subscribers	170,000
Approximate Number of Participants	358,000
Plan Cost for Prescription Drugs	\$713,490,895.20
Number of Prescription Drug Claims	4,094,435

The Department has authority under section 110.12315, Florida Statutes, to administer the state employees' Rx Plan, including authority to purchase services for the administration of the Program. The Department will have exclusive and final decision-making authority concerning eligibility, coverage, benefits, claims, and interpretation of PPO, HMO, and Rx Plan documents.

Respondents to this ITN must offer to provide all of the required **self-insured** PBM services pursuant to this ITN, which include but are not limited to:

- prescription drug pricing,
- retail pharmacy prescription drug services,
- mail order prescription drug services,
- specialty pharmacy services,
- a retail pharmacy network,
- eligibility verification processes,
- claims processing and adjudication,
- Medicare Part D services (Retiree Drug Subsidy),
- customer service,
- drug utilization review ("DUR"),
- quality assurance programs,
- fraud, waste, and abuse programs, and
- Respondent and plan performance reporting services.

All participating retail pharmacies, mail order pharmacies, and specialty pharmacies will be required to use an on-line system prior to dispensing drugs for the purpose of performing concurrent utilization review.

The PBM Service Provider will not have final decision-making authority over eligibility, coverage, benefits, claims, and interpretation of PPO, HMO, and Rx Plan documents, as such authority will remain with the Department.

The Plan Year runs from January 1<sup>st</sup> to December 31<sup>st</sup> of each calendar year. The State provides two (2) primary enrollment opportunities outside of qualifying status change events: (i) when a person begins employment with the State, and (ii) annually during an open enrollment period. Open enrollment changes are effective January 1<sup>st</sup> of the year

following the open enrollment period. The State's human resource system of record, People First, handles all enrollment activity and is the system of record for eligibility determinations.

To assist with this ITN process, the Department has hired Mercer (US) Inc. ("Mercer" or "Consultant"), as a technical and actuarial subject matter expert. The Department's Consultant shall not receive override commissions or any other valuable consideration, in any form, from any issuer, insurance agent, insurance broker, or any involved party when such fee proceeds may be attributable to the award of the Contract with the Department. Fees earned by the Consultant relating to this procurement will be limited exclusively to those fees paid under the purchase order for these services between the Consultant and the Department.

The Department reserves the right to reject all Replies to this ITN.

- b) Section 1.4, Questions Being Explored, is hereby amended as follows, with the added language highlighted:

#### **1.4 Questions Being Explored**

Respondents are not to respond directly to these questions. The Department will use the information obtained throughout this ITN process to assist it in developing opinions and positions regarding the following questions:

1. How can the Department most efficiently provide self-insured pharmacy benefits to Program Participants?
2. What is the value achieved, if any, of narrow retail pharmacy networks vs. broad retail pharmacy networks?
3. What is the value achieved, if any, of a narrow prescription drug formulary vs. an open formulary?
4. What innovative tools are available in the marketplace for pharmacy benefit management?
5. Can the Rx Plan achieve greater value from more narrow retail networks? Is the tradeoff of access worth the savings?
6. Can the Rx Plan achieve greater value from a more narrow formulary? Is the tradeoff of immediate access to a wider range of drugs worth the savings?
7. How can the Department ensure pricing remains competitive throughout the entire term of the Contract?
8. How can the Department ensure pricing remains competitive should the federal government eliminate prescription drug rebates?
9. How can the Department best position the Contract to provide flexibility for future Program changes (e.g., benefit design, moving to a defined contribution structure, implementing employee or Participant wellness initiatives)?
10. What additional value propositions can Respondents offer that are in the best interest of the State?
11. How can the Department hold the PBM Contractor and subcontracted pharmacies accountable for fraud and abuse activities?
12. The remaining questions and issues being explored are provided in Technical Reply Form, Tabs TR-3 and TR-4 (Attachment B).

c) Section 1.5, Specific Goals of the ITN, is hereby amended as follows, with the added language highlighted:

**1.5 Specific Goals of the ITN**

1. To establish a Contract(s) promoting the cost-efficient administration of the Program for **self-insured** pharmacy benefits.
2. To establish a flexible Contract(s) that provides the ability to effectuate future policy and Program changes. Future changes may include, but are not limited to benefit design, moving to a defined contribution structure, and implementing employee or Participant wellness initiatives.
3. To determine the combination of service levels and pricing terms preferred by the Department and the Respondent that will provide the best overall value to the State in executing the preferred solutions.
4. To establish a Contract that ensures competitive prices throughout the entire term, including renewal years, of the Contract.
5. To ensure only valid prescriptions are filled, paid for, and dispensed to Participants.
6. To implement and maintain aggressive/effective cost avoidance tactics.
7. To ensure the best value for the State based on the goals in this section 1.5 and the Selection Criteria in section 4.1.

d) Section 1.8, Timeline of Events, the table is hereby amended as follows, with the added language highlighted, and the stricken language shown with a ~~strikethrough~~:

TIMELINE OF EVENTS		
Events	Event Time (ET)	Event Date
ITN posted on the VBS		3/10/2020
Respondent deadline to submit the Confidentiality & Non-Disclosure Agreement (Attachment E) and the Notice of Intent to Submit a Reply (Attachment F) to the Procurement Officer	3:00 PM	3/18/2020
Respondents' questions due to the Procurement Officer.	5:00 PM	3/26/2020
Department's anticipated posting of answers to Respondents' questions on the VBS.		<del>4/8/2020</del> <b>4/7/2020</b>
Deadline to submit Reply and all required documents to the Procurement Officer.	3:00 PM	5/7/2020
Public Opening. Room 101 4050 Esplanade Way, Tallahassee, Florida 32399-0950	3:30 PM	5/7/2020
Negotiation Team Public Meeting Room 101 4050 Esplanade Way, Tallahassee, Florida 32399-0950 Conference call # 1-888-585-9008 Participant code: 125497037#	10:00 AM	8/18/2020
Post Notice of Intent to Award on the VBS.		9/2/2020
Contract Execution.		9/9/2020

- e) Section 2.15.4, Claiming a Trade Secret or Other Exemption, is hereby amended as follows, with the stricken language shown with a ~~strikethrough~~:

#### **2.15.4 Claiming a Trade Secret or Other Exemption**

If a Respondent considers any portion of materials made or submitted in the course of replying to this ITN to be trade secret under section 812.081, Florida Statutes, or to otherwise be Confidential Information, in order to preserve the confidentiality of the material, the Respondent must clearly designate that portion of the materials as “confidential” when submitting them to the Department. The Respondent must submit all such information as a separately bound, *unredacted* document clearly labeled “Confidential, Unredacted Reply” together with a brief written description of the grounds for claiming exemption from the public records law, including the specific statutory citation for such exemption.

The Respondent is to also simultaneously provide the Department with a separate, electronic copy of its Reply in which the trade secret or other Confidential Information is redacted. The file name of the electronic redacted copy is to contain the name of Respondent, the ITN number, and the words “redacted copy” (e.g., Respondent Name DMS ITN \_redacted copy.pdf). Prominently display the phrase “Redacted Copy” on the first page of the electronic redacted copy and each page on which information is redacted.

~~This electronic copy is to be submitted no later than the Reply submittal deadline. Where such information is part of material already required to be submitted as a separately bound or enclosed portion of the Reply, further segregate it and separately bind or enclose and clearly label it as set forth above in addition to any other labeling required for the material.~~

If Respondent is invited into negotiations, it will be incumbent upon the Respondent to identify, in real-time, portions of the Respondent’s negotiation sessions which include references to materials and/or information Respondent claims are confidential, proprietary, trade secret, or otherwise not subject to disclosure. The Respondent is responsible for defending its determination that the portions of the negotiation sessions are exempt and not subject to disclosure.

- f) Section 3.1, Submittal of Replies, is hereby amended as follows, with the stricken language shown with a ~~strikethrough~~:

#### **3.1 Submittal of Replies**

The Respondent is responsible for ensuring the Department receives its Reply no later than the date and time provided in section 1.8, Timeline of Events, of this ITN (or as revised by addenda). Replies that are not timely submitted with all required information may be deemed nonresponsive. All methods of delivery or transmittal to the Procurement Officer are exclusively the responsibility of Respondent and the risk of non-receipt or delayed receipt shall be borne exclusively by the Respondent.

**The Respondent shall clearly mark the outside of each sealed package with the solicitation number, Respondent’s name, and the Procurement Officer’s name.** In order to preserve Confidentiality, the Respondent must indicate that the materials are confidential, proprietary, or trade secret at the time of submission and comply with the provisions of section 2.15.4 of this ITN.

The Respondent is to submit its Reply in a properly marked, sealed box(es) containing the following:

- Technical Reply.
  - a. One (1) original *unredacted*, bound paper copy of the items listed in section 3.5, Technical Reply;
  - b. Five (5) separate unredacted, bound paper copies (with the exception of Tab TR-7: GeoAccess) of the items listed in section 3.5, Technical Reply;
  - c. Five (5) unredacted, electronic copies, each on a separate CD-ROM or USB “thumb drive”, in original file format (Excel .xls), of the items listed in section 3.5, Technical Reply; and
  - d. One (1) electronic, *redacted* copy of the items listed in section 3.5, Technical Reply, on one (1) CD-ROM or USB “thumb drive” (~~if applicable, as described in section 2.15.4 of this ITN~~). Note: Respondent is responsible for ensuring that all metadata contained in the electronic, redacted copy is removed from it.
  
- Financial Reply. In an envelope separately sealed from the Technical Reply:
  - a. Five (5) *unredacted*, electronic copies, each on a separate CD-ROM or USB “thumb drive”, in original file format (Excel .xls), of the items listed in section 3.6, Financial Reply - Mandatory; and
  - b. One (1) electronic *redacted* copy on CD-ROM or USB “thumb drive” of the items listed in section 3.6, Financial Reply - Mandatory (~~if applicable, as described in section 2.15.4 of this ITN~~). Note: Respondent is responsible for ensuring that all metadata contained in the electronic, redacted copy is removed from it.

Respondent should include the Respondent’s name along with the attachment name in all electronic file names. All CD-ROM and thumb drives should be labeled with Respondent’s name and the solicitation number.

All electronic documents are to be searchable to the fullest extent practicable. Paper and electronic copies of Replies are to consist of identical information.

- g) Section 3.7, Draft Contract, is hereby amended as follows, with the added language highlighted, and the stricken language shown with a ~~strikethrough~~:

### **3.7 Draft Contract**

Attachment A is the Department’s Draft Contract. If the Respondent takes exception to any of the terms or conditions contained therein, it should include a redline of the Department’s draft Contract in its Reply. The Word version of the Draft Contract to redline, is available for Respondents by contacting the Procurement Officer listed in section 1.6 of the ITN.

Respondent’s redline will not be scored or provided to evaluators for review during the evaluation phase. The Department may negotiate and consider redline edits or modification during the negotiation phase. **Even if the Respondent provides a redline, its Price Financial Reply must be based on the assumption that the Contract terms and conditions will apply as written in Attachment A.**

The draft Contract contains several attachments. The draft Contract and the attachments, including the affidavits, do not need to be returned with the ITN Reply unless the Respondent is providing a redline.

2. Attachment B: Technical Reply Tab TR-5, is hereby deleted in its entirety and replaced, with the Attachment B: Revised Technical Reply Tab TR-5, attached as Exhibit 2 to this addendum. The revised items in Exhibit 2 are hereby amended as follows, with the added language **in bold, blue font**, and the stricken language shown with a ~~strikethrough~~ .

All references in the ITN and attachments to Attachment B: Technical Reply Tab TR-5 shall hereinafter refer to Attachment B: Revised Technical Reply Tab TR-5.

Submitting Attachment B: Technical Reply Tab TR-5, instead of Attachment B: Revised Technical Reply Tab TR-5, may be grounds for deeming a Reply nonresponsive.

3. Attachment C: Financial Reply Tab FR-8D, is hereby deleted in its entirety and replaced, with the Attachment C: Revised Financial Reply Tab FR-8D, attached as Exhibit 3 to this addendum. The revised items in Exhibit 3 are hereby amended as follows, with the added language **in bold, blue font**, and the stricken language shown with a ~~strikethrough~~.

All references in the ITN and attachments to Attachment C: Financial Reply Tab FR-8D shall hereinafter refer to Attachment C: Revised Financial Reply Tab FR-8D.

Submitting Attachment C: Financial Reply Tab FR-8D, instead of Attachment C: Revised Financial Reply Tab FR-8D, may be grounds for deeming a Reply nonresponsive.

**Enclosures:**

Exhibit 1 – Addendum No. 3: Questions and Answers

Exhibit 2 – Attachment B: Revised Technical Reply Tab TR-5

Exhibit 3 – Attachment C: Revised Financial Reply Tab FR-8D

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**Invitation To Negotiate**  
**PHARMACY BENEFIT MANAGEMENT SERVICES**  
**ITN No.: DMS-19/20-030**

**Exhibit 1 - Addendum No. 5 - Questions and Answers**

The Department's responses to timely submitted questions are below.

Question Number	Section	Page Number	Question	Response
1			Can an extension to the due date be provided?	See Addendum No. 3 to the ITN, posted on April 2, 2020.
2			We would like to request that an electronic copy be accepted due to the COVID-19 outbreak throughout the country and the request from the federal government to socially distance. Our corporate offices in Orlando FL are closed with the exception of essential personnel.	No changes to the requirement to mail in Replies, as specified in section 3.1 of the ITN, are currently being made. However, see Addendum No. 3 to the ITN, posted on April 2, 2020, for the new submission deadline.
3			If we must submit a hard copy, will the State accept receipt of our hard copy to follow electronic submission by the deadline provided?	Section 3.1 of the ITN requires both the bound paper copies and electronic copies to be provided by the deadline. Also, see response to Question #2.

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4			Can we confirm the correct values for the quantity dispensed column? It appears there may be an issue with trailing zeroes.	<p>The full file claim data sets were provided in a fixed width format, which included trailing zeroes for the "Quantity_Dispensed" field. "Quantity_Dispensed" should be converted by dividing each record in the field by 1,000.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• 45000 would be converted to 45;</li> <li>• 28350 would be converted to 28.35</li> <li>• 8500 would be converted 8.5</li> </ul> <p>This conversion can be applied in batches across all records.</p>										
5			Please confirm that there are no broker fees or, if there are, what they would be.	No, broker fees are not allowed.										
6			Please confirm your current medical insurer and specialty pharmacy vendors.	<p>Health Plans with Members Covered Under the State Employees' Prescription Drug Plan:</p> <p>Aetna AvMed Capital Health Plan (excluding Medicare enrollees) Florida Blue UnitedHealthcare</p> <p>Specialty Pharmacy: CVS Specialty pharmacy</p>										
7			Please share your historical generic fill rate.	<p>Generic Dispensing Rate</p> <table border="0"> <tr><td>2019</td><td>87.3%</td></tr> <tr><td>2018</td><td>86.3%</td></tr> <tr><td>2017</td><td>86.2%</td></tr> <tr><td>2016</td><td>85.0%</td></tr> <tr><td>2015</td><td>83.5%</td></tr> </table>	2019	87.3%	2018	86.3%	2017	86.2%	2016	85.0%	2015	83.5%
2019	87.3%													
2018	86.3%													
2017	86.2%													
2016	85.0%													
2015	83.5%													

8	Sections 1-5, Purchasing Forms, Appendices and Attachments	Page #1-44, Purchasing Forms, Appendices and Attachments	Capital Health Plan is currently the only HMO offered by the Department that administers fully underwritten pharmacy benefits for the State's Standard and High Deductible options for State Group Medicare retirees in the seven Florida Counties it serves. In order to efficiently integrate the benefits provided CHP's State Group HMO members and maximize savings to the State of Florida, will the Department consider, as meeting the criteria that will be used for determining the acceptability of the reply and guiding the selection of the vendors with which the Department will negotiate, a fully underwritten reply to this ITN from Capital Health Plan that delivers to the State Group Actives, COBRA, and Early Retirees it currently serves, a broad retail pharmacy network and broad prescription drug formulary, respectively that is identical to, and consistent with, the network and formulary currently provided to its State Group Medicare Retirees in Standard and High Deductible coverage while guaranteeing significant savings to the State of Florida?	Respondents are to provide their best, suitable Replies as outlined in the ITN. Also, see items #1.a), 1.b), and 1.c) of this addendum.
9	Sections 1-5, Purchasing Forms, Appendices and Attachments	Page #1-44, Purchasing Forms, Appendices and Attachments	In short, in evaluating the replies against the evaluation criteria set forth in the ITN, will the Department consider a fully underwritten reply as being part of a competitive range of replies reasonably susceptible of award?	See response to Question #8.
10	FR-8D	N/A	Please provide detailed directions on how the PBM should complete Attachment FR-8D. The directions request a list of house generics, however Column C requests both House Generics and Brand for Generics. Can the State further clarify what is meant by "Brand for Generics"?	See item #3 of this addendum. House Generics are Brand drugs priced at point of sale as a generic. Brand for Generics are drugs priced at point of sale as a Brand drug with Member cost share applied as a Generic drug where the direct Generic is excluded from the formulary with the intent of the rebate paid in lag resulting in an overall lower net cost.
11	N/A	N/A	Given the evolving situation with COVID-19 and shelter-in-place orders invoked for several states across the nation, is the State willing to waive the hard copy requirements for proposal submission and accept only electronic submission of proposal.	See response to Question #2.

12	N/A	N/A	Also, given the evolving situation with COVID 19, can you please provide additional details regarding the 04/16 public opening? Will the public continue to be invited?	Per ITN Addendum No. 3, the public opening date has been moved to May 7, 2020. Any changes made to the date, time, or location of the public opening will be posted as an addendum to the ITN. Per section 2.3 of the ITN, it is the responsibility of the Respondents to check VBS for information and updates.
13	ITN Section 3	22	This section requires each bidder to submit a letter from a surety bonding agent documenting the bidder's ability to obtain a performance bond in the amount of \$37,000,000. Section 8.2 of the draft contract at Attachment A requires delivery of a payment and performance bond or letter of credit "for the payment and performance of work under the Contract in an amount equal to or greater than the lesser of 1) Contractor's share of the estimated annual total pharmacy costs, or 2) five percent (5%) of the estimated annual total pharmacy cost" and in no event "less than \$20,000,000." Will the Department confirm that the bonding requirement referenced in Section 3.3.3 is the same bonding requirement referenced in Section 8.2 of Attachment A, as opposed to being an additional such requirement?	Yes, the requirements in sections 3.3.3 of the ITN and 8.2 of Attachment A: Draft Contract, are the same.
14	ITN Section 3	28	This section states that bidders may provide redlined versions of the Draft Contract document at Attachment A; it advises, however, that "[e]ven if the Respondent provides a redline, its Price Reply must be based on the assumption that the Contract terms and conditions will apply as written in Attachment A." Bidder was unable to locate any other references to a "Price Reply" portion of the ITN. Can the Department provide an explanation of which part(s) of a bidder's proposal would be considered the Price Reply for purposes of Section 3.7?	See item #1.g) of this addendum.

15	Data Files	N/A	<ul style="list-style-type: none"> <li>Should vendors combine the DSGI and CVS data to perform the required network and formulary analysis?</li> </ul>	The DSGI data and CVS data represent the same data sets for the experience period noted. The DSGI data is provided in a summary aggregate level whereas the CVS provided claims data identifies the data at a claim level. Both data sets should be used in the Respondent's analysis, but should not be combined in aggregate.
16	ITN Section 1.3	7	<ul style="list-style-type: none"> <li>Can you please provide the breakdown of retiree and Commercial lives?</li> <li>For the Retiree lives, please describe the current coverage and breakdown (RDS, EGWP, etc.) for those who will be covered under the Rx benefit through this RFP.</li> <li>Will the Department provide a census that shows the break down as described above?</li> </ul>	Yes, the total number of Retiree Drug Subsidy lives fluctuates with a monthly average of 30,000. See Appendix 1 of the ITN, for a breakdown of enrollment by coverage code (active, early retiree (under 65), and retiree (Medicare eligible)).
17	ITN Section 1.8	10	Due to the additional efforts required by health care services companies during the COVID-19 pandemic, would the Department be agreeable to extending the response deadline to April 23, 2020?	See response to Question #1.
18	ITN Section 2.15.4	15	Please clarify what is meant by "Where such information is part of material already required to be submitted as a separately bound or enclosed portion of the Reply, further segregate it and separately bind or enclose and clearly label it as set forth above in addition to any other labeling required for the material."	See item #1.e) of this addendum.

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19	ITN Section 3.2	21	<p>Given the nationwide office closures and shelter in place orders due to the COVID-19 pandemic, for the initial proposal submission will the Department accept electronic copies in lieu of printed copies and waive the requirement for original “wet” signatures? When deemed safe to do so, we would be pleased to reprocess any impacted documents with original signatures and provide the hard copies requested.</p>	<p>In regard to the question about the acceptance of electronic copies in lieu of printed copies, no, see response to Question #2.</p> <p>In regard to the requirement for original “wet” signatures, nothing in this ITN is intended to modify the force and effect of any electronic signature given full force and effect by law (for example, by chapter 668, Florida Statutes). Notwithstanding any authority to provide an electronic signature in lieu of a “wet” signature, such electronic signature is still to be included on the paper bound copy(ies) of the Reply required to be submitted.</p>
20	ITN Section 3.2	22	<p>Will the RFP will become the contract?. What is the order of precedence?</p>	<p>No. See section 2.2, and the definition of “Contract” in section 1.1 of Attachment A: Draft Contract, for a list of documents that will become the Contract.</p>
21	ITN Section 3.5	24	<p>Can respondents provide attachments with additional content for responses that may require more than 1,204 characters to adequately address the question?</p>	<p>No, Respondent’s length of Replies is limited to 1,024 characters per cell. See sections 3.5 and 3.6 of the ITN.</p>
22	ITN Section 3.6	26-27	<p>Please confirm for the formulary requirements that the Department is requesting 3 different formularies (Open, Level 1 and level 2). Please confirm that the open formulary will have no excluded drugs, Level 1 will have our least restrictive list of exclusions, and Level 2 will be more restrictive with a larger number of exclusions versus Level 1.</p>	<p>Open Formulary is all federal legend drugs not otherwise excluded by the Plan; see Appendices 6 and 7 of the ITN, for a list of exclusions.</p> <p>See section 3.6 of the ITN, and Attachment B: Technical Reply Tab TR-9, for a list of formularies.</p>

23	ATT.B: TechnicalReply TR-2 Respondent Info	Line #129	Can you please clarify what is meant by “This individual is a licensed pharmacist responsible for all clinical decisions and policies of the Respondent.” Do you mean that this individual has a role in establishing the vendor’s overall clinical policies as related to the Agreement with the Department?	The individual referenced is responsible for explaining all clinical policies of the Respondent and ensures that all State decisions are implemented and documented accurately.
24	ATT.B: TechnicalReply TR-6 Performance Guarantees	N/A	<p>The instructions for TR6 indicate “By submitting a Reply, the Respondent accepts the following Performance Guarantees (PG) as written for purposes of evaluation. During the Negotiation phase, the Parties may negotiate alternatives to achieve best value; however, the Department is not obligated to accept any alternatives to the Performance Guarantees.</p> <p>Please confirm that we may not comment on the TR6 targets or address the amounts at risk during this phase in order to provide the Department a preview of the alternatives that may be proposed during negotiation. If we are able to provide a preview will the TR6 tab be unlocked?</p>	<p>Confirmed. Respondents are to submit Replies as specified in the instructions within the ITN.</p> <p>Also, see item #1.g) of this addendum.</p>
25	ATT.B: TechnicalReply TR-6 Performance Guarantees	#17	<p>We measure financial accuracy rate based upon state-specific statistically significant random sample of paid retail and mail order (and specialty claims when applicable). The results are extrapolated to all claims. Would Department agree to the random sample methodology?</p> <p>In addition payment accuracy is calculated as the percent of all claims paid with no error in ingredient cost, member copayment, prior authorization, or deductibles. Would the Department be agreeable to this financial measurement methodology?</p>	See response to Question #24.
26	ATT.B: TechnicalReply TR-6 Performance Guarantees	#21	Please define weekly reports. Can the Department provide a complete list of reports Contractors are required to provide on a weekly basis?	Weekly reports are explained in Attachment B: Technical Reply Tab TR-5: Administrative Requirements, VIII. Reporting and Deliverables, item #74.

27	ATT.B: TechnicalReply TR-6 Performance Guarantees	#23	Please define complex reports.	The Department will determine if a report is complex based on any number of variables at the time of the request. See section III., item #23(b) of Attachment B: Technical Reply Tab TR-6.
28	Att.B: Technical Reply TR-7 Geo-access	N/A	The TR-7 tabs request a geo-access analysis. A census was only provided for DSGI. Can a census be provided for the CVS population as well? If not, should the geo-access be performed on only the DSGI census data?	No. Yes, see second sentence in cell B2 of Attachment B: Technical Reply Tab TR-7.
29	Att. C: Financial Reply Tabs FR1FR7	Tabs FR2- FR7 #15 and #16	In #15 and #16, the Department has requested minimum rebate guarantees on a Per Prescription and Per Brand basis. Please confirm that the Department will select one or the other for the contracted financial obligation and not both. As required, the Department will receive 100 percent of all rebates. Requiring both guarantees will decrease the minimum guarantees for the Department due to the risk of calculation over the term of the agreement.	Confirmed. The Department will select the option that provides best value to the State of Florida. Having both pricing options in the Contract will allow the Department to change options during the term of the Contract should the other option be determined to provide best value at a later date.
30	Att. A: Draft Contract	N/A	Can you please provide a copy of the contract in a Word document format?	Yes, the Department fulfilled entities' requests for the Word version of Attachment A: Draft Contract.
31	Att. A: Draft Contract, Section 4.2.5.1	18	<ul style="list-style-type: none"> <li>For consistency throughout the agreement, would the Department consider including the same proposed notice timeframe in Attachment 7, where Contractor shall notify the Department without unreasonable delay, and in all events promptly?</li> <li>Would the Department consider a modification to relieve Contractors from constantly contacting the Department on attempted hacks by including the following to the definition of "Incident": "Incident" shall not include unsuccessful or inconsequential incidents that do not represent a material threat to confidentiality, integrity or availability of PHI (such as scans, pings, or unsuccessful attempts to penetrate computer networks)?</li> </ul>	No, not during this phase of the procurement process. Per item #1.g) of this addendum, Respondents may provide redlines of Attachment A: Draft Contract, in their Replies, and the Department may negotiate and consider redline edits or modifications <b>during the negotiation phase</b> (emphasis added).

32	Att. A: Draft Contract, Section 6 Diversity	21	<ul style="list-style-type: none"> <li>• Does the Department have a spending goal or requirement for contractors that subcontract with Minority Business Enterprises, Woman-Owned Business Enterprises, and Service-Disabled Veteran Business Enterprises to support this RFP?</li> <li>• Please confirm if there are evaluation points given for contractors that subcontract with Minority Business Enterprises, Woman-Owned Business Enterprises, and Service-Disabled Veteran Business Enterprises?</li> </ul>	No, there are no requirements or evaluation points. See section 4.3 of the ITN.
33	Att. A: Draft Contract, Section 8.1	23	<p>Would the Department consider including the following changes to these requirements:</p> <p>(b) Business Interruption Insurance. Contractor must continuously maintain business interruption insurance coverage <b>as a component of their property insurance</b> in the face amount of <b>\$10,000,000</b>.</p> <p>(d) Professional Indemnity Insurance. The Contractor must secure and continuously maintain professional indemnity insurance that must cover professional liability and error and omissions in the face amount of <b>\$25,000,000</b>. Contractor will indemnify, defend, and hold harmless the Department and its employees and agents, from and against any third-party claims, demands, loss, damage, or expense caused by Contractor in connection with the performance of the Services related to professional liability and error and omissions. Each insurance certificate for such policy must include an agreement that the insured provide thirty (30) Calendar Days prior written notice to the Department of cancellation for any coverage.</p> <p>The Contractor will provide all certifications of insurance as proof of insurance, including evidence of renewed or replaced coverage, at <b>least five (5) Calendar Days</b> after the expiration or termination of any insurance policy.</p>	See response to Question #31.
34	Att. A: Draft Contract, Section 9.4	27	Would the Department afford Contractors the very limited right and opportunity to suspend its performance in the unlikely event that the Department defaults for nonpayment? If not, what remedy does the Department propose for non-payment?	See response to Question #31.

35	Att. A: Draft Contract, Section 11.4(b)	29	It is unclear if all of these laws are applicable to the services provided under the contract. Can the Department please clarify that the intent of the clause in the first sentence "with respect to the performance of its obligations under this Contract" can be interpreted to mean "to the extent these laws are applicable"?	Section 11.4(b), of Attachment A: Draft Contract, requires the Contractor's performance under the Contract to comply with all applicable laws, rules, and regulations as identified in that paragraph.
36	Att. A: Draft Contract, Section 11.2	33	While Contractors should take full responsibility for any wrongful action by them, liability should be limited to the extent it is responsible. Will the Department consider indemnified claims to the extent arising from damages directly caused by Contractor?	See response to Question #31.
37	Att. A: Draft Contract, Section 11.13.4	34	Contractor respectfully requests the prior opportunity to determine its level of involvement in legal proceedings, including production of files. Will the Department consider removing the last sentence in this subsection?	See response to Question #31.
38	Attachment 7, Section 3(e)	7	Would the Department be willing clarify the Business Associate's authorized use of PHI to include it to carry out its legal responsibilities?	See response to Question #31.
39	Attachment 7, Section 6 (a)-(b)	9-10	<ul style="list-style-type: none"> <li>For consistency throughout the agreement, would the Department consider including the same proposed definition in the Contract for "Incident" to "Security Incident" in this subsection?</li> <li>We would prefer adequate time to investigate all security incidents in order to provide more complete reporting to the Covered Entity. Would the Department afford Business Associate additional time, up to 5 business days, with respect to notification in these subsections?</li> </ul>	See response to Question #31.
40	Attachment 7, Section 6(g)	10	Business Associate would prefer to be responsible for reasonable costs related for the notices it provides; is the Department open to Business Associate directly providing the notices in this subsection?	See response to Question #31.
41	Attachment 7, Section 8 (c)	12	In the event return or destruction of records may be impractical, would the Department allow omission of "and shall retain no copies thereof" in this subsection?	See response to Question #31.
42	Attachment 7, Section 9 (a)	12	Business Associate respectfully requests an opportunity to cure a violation before it is deemed a material breach. Would the Department consider omitting this subsection?	See response to Question #31.

43	Attachment 7, Section 9 (c )	13	Business Associate respectfully requests the limited right to assign this agreement only to its affiliate and provide the Department with thirty (30) days' prior notice. Would the Department consider this request.	See response to Question #31.
44	Attachment 7, Section 9 (k)	13	For consistency throughout the agreement, would the Department consider relying on the same robust indemnification provision in the Attachment 3 to also govern Attachment 7?	See response to Question #31.
45	Attachment 7, Section 9(m)	14	In an effort to align more closely with applicable law, would the Department consider including the following at to this subsection "with respect to the Privacy Rule"?	See response to Question #31.

**FAILURE TO FILE A PROTEST WITHIN THE TIME PRESCRIBED IN SUBSECTION 120.57(3), FLORIDA STATUTES (AS ALTERED BY SUBSECTION 110.123(3)(D)4, FLORIDA STATUTES), OR FAILURE TO POST THE BOND OR OTHER SECURITY REQUIRED BY LAW WITHIN THE TIME ALLOWED FOR FILING A BOND SHALL CONSTITUTE A WAIVER OF PROCEEDINGS UNDER CHAPTER 120, FLORIDA STATUTES.**

Any protest concerning this agency decision or intended decision must be timely filed with the Agency Clerk. Protests may be filed by courier, hand delivery, or regular mail at: Department of Management Services, Office of the General Counsel, Attention: Agency Clerk, 4050 Esplanade Way, Suite 160, Tallahassee, Florida 32399-0950. Protests may also be filed by fax at 850-922-6312, or by email at [agencyclerk@dms.myflorida.com](mailto:agencyclerk@dms.myflorida.com). It is the filing party's responsibility to meet all filing deadlines.

**END OF EXHIBIT 1 – QUESTIONS AND ANSWERS**