

# EXHIBIT A

## STATEMENT OF WORK AND ATTACHMENTS

### PHARMACY BENEFIT MANAGEMENT SERVICES

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## **STATEMENT OF WORK (SOW)**

### **1.0 DEFINITIONS**

Contractor will refer to Attachment 1 (Definitions) of Exhibit A (SOW and Attachments).

### **2.0 SCOPE OF WORK**

- 2.1 The Los Angeles County (LAC or County) Department of Mental Health (Department or DMH) is the largest county mental health department in the country. DMH directly operates more than 80 programs and contracts for services with more than 400 agencies to serve approximately 290,000 Clients, of which approximately 23,200 are uninsured (i.e. have no source of healthcare benefits). To the extent that resources are available, DMH maintains financial responsibility for those Clients who are uninsured, hereafter referred to as Covered Clients (CCs). DMH pays for approximately 5,000 prescription drugs each month dispensed by DMH Participating Pharmacies (PPs) throughout LAC.
- 2.2 Contractor will serve as DMH's Pharmacy Benefits Administrator (PBA) / Pharmacy Benefits Manager (PBM) / Third-Party Administrator (TPA), hereafter referred to as PBM, and shall provide:
  - 2.2.1 Pharmacy network management; and
  - 2.2.2 Claims Adjudication; and
  - 2.2.3 Drug Formulary enforcement; and
  - 2.2.4 Drug utilization reporting; and
  - 2.2.5 Drug Rebate optimization; and
  - 2.2.6 Customer service for Clients, PPs, and DMH Directly-Operated and Contracted Staff, consistent with DMH's policies, procedures, and requirements.

### **3.0 SPECIFIC WORK REQUIREMENTS**

#### **3.1 PARTICIPATING PHARMACY NETWORK (PPN)**

Contractor will develop and manage a network of PPs for DMH.

- 3.1.1 Contractor will ensure that in each Service Area of LAC (Attachment 20 – Map of LAC Service Areas) the PPN has:
  - 3.1.1.1 At minimum, five (5) pharmacies that are open 24 hours per day;

- 3.1.1.2 At minimum, five (5) pharmacies must have linguistic proficiency (which may be accomplished through telephone interpretation services) in the languages listed in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments);
  - 3.1.1.3 At minimum, five (5) pharmacies that can mail prescribed drugs to Clinics or to CCs;
  - 3.1.1.4 At minimum, two (2) pharmacies that can deliver prescribed drugs to Clinics or to CCs at their residence or residential facilities, upon request;
  - 3.1.1.5 At minimum, two (2) pharmacies that are authorized to dispense drugs with Risk Evaluation and Mitigation Strategies (REMS) restrictions, including but not limited to, Sublocade, clozapine, and esketamine;
  - 3.1.1.6 At minimum, two (2) pharmacies that are AIDS Drug Assistance Program (ADAP) pharmacy providers.
- 3.1.2 The addition or removal of pharmacies must adhere to requirements set forth in this Contract. Contractor's protocol for adding and/or removing pharmacies Exhibit 13 (Protocol for Adding/Removing Pharmacies) of Appendix B (Required Forms) of the RFP, shall include the following:
- 3.1.2.1 Criteria for adding and/or removing pharmacies consistent with DMH program requirements as set forth in this Contract;
  - 3.1.2.2 Specific actions required by DMH and Contractor to add or remove pharmacies; and
  - 3.1.2.3 Timelines for each action.
- 3.1.2.2 Contractor will disclose its ownership of any pharmacies that are pending addition to the PPN. Contractor will also disclose when any PPs come under its ownership during the Contract term. DMH reserves the right to exclude any or all of these pharmacies from DMH's PPN.
- 3.1.2.3 Contractor will deny or terminate a pharmacy's participation in the PPN for failure to meet or maintain eligibility requirements outlined in Paragraph 3.1.3 of Exhibit A (SOW and Attachments).
- 3.1.2.4 DMH reserves the right to remove any pharmacy from its PPN.
- 3.1.2.5 When DMH requires Contractor to remove PP from PPN, DMH will notify Contractor in writing and include rationale. Contractor will have 14 calendar days from the date of receipt to provide a

counter argument or evidence or propose a corrective action plan. If counter argument, evidence or corrective actions are deemed unsatisfactory by DMH, Contractor will remove PP from PPN no later than 30 calendar days from the date of receipt of original notification from DMH.

3.1.2.6 Contractor will contract with any pharmacy identified by DMH at any time during the term of this Contract, within 14 calendar days of date of receipt of written request from DMH, as long as the pharmacy meets the requirements outlined in Paragraph 3.1.3 of Exhibit A (SOW and Attachments).

3.1.2.7 Contractor will notify DMH of any changes to PPN throughout the Contract term by sending an updated PPN directory, as per Paragraph 3.1.6 of Exhibit A (SOW and Attachments), to DMH on the day of the change.

3.1.3 Contractor will add a pharmacy to the PPN when pharmacy meets all of the following minimum eligibility requirements:

3.1.3.1 Possesses a current and valid California State Board of Pharmacy (CABOP) pharmacy license, without restrictions; AND

3.1.3.2 Possesses a current and valid Drug Enforcement Agency (DEA) registration certificate, without restrictions; AND

3.1.3.3 Is recognized as a pharmacy provider by the National Association of Boards of Pharmacy (NABP); AND

3.1.3.4 Is an authorized California State Medi-Cal provider; AND

3.1.3.5 Uses Surescripts-certified software (Surescripts); AND

3.1.3.6 Complies with National Council Prescription Drug Programs (NCPDP) standards; AND

3.1.3.7 Possesses an electronic patient drug-profile system that provides up-to-date information to the dispensing pharmacist on patient-specific drug-drug/drug-food/drug-disease interactions, therapeutic duplications, dosage limits, pregnancy/lactation considerations, gender considerations, pediatric/geriatric considerations, renal/hepatic dose adjustments, potential adverse effects, and Risk Evaluation and Mitigation Strategies (REMS) requirements. The electronic system must also generate written drug information and dosing instructions intended for the lay public, that meets California State Board of Pharmacy requirements; AND

- 3.1.3.8 Possesses software(s) for querying clients' public, private, and commercial insurance(s), to ensure claims are submitted to the appropriate payer, including Medi-Cal, Medicare, or other third-party payers; AND
- 3.1.3.9 Pharmacy's Pharmacist-in-Charge maintains a current, unrestricted license as a pharmacist in California.
- 3.1.4 Contractor will have a Participating Pharmacies Agreement (PPA) with each pharmacy in the PPN. Each PPA shall contain adequate verbiage to allow Contractor to enforce DMH's requirements outlined in Paragraphs 3.1.4.1 – 3.1.4.15 of Exhibit A (SOW and Attachments). Upon a pharmacy's entry into PPN, Contractor will issue a memo notifying PP of requirements outlined in Paragraphs 3.1.4.1 – 3.1.4.15 of Exhibit A (SOW and Attachments) and that DMH reserves the right to remove any pharmacy from the PPN which does not comply with the following requirements:
  - 3.1.4.1 Comply with all applicable laws, regulations, rules, and requirements for the delivery of services to CCs (including but not limited to all CABOP regulations); and
  - 3.1.4.2 Serve all CCs; and
  - 3.1.4.3 For Generic Drugs, only dispense AA- or AB-rated generic therapeutic equivalent drugs; and
  - 3.1.4.4 Only process Refills explicitly requested by CCs; and
  - 3.1.4.5 Not charge CCs out-of-pocket costs; and
  - 3.1.4.6 Respond to DMH's complaints and/or grievance requests in writing within five business days from date of receipt; and
  - 3.1.4.7 Maintain auditable records of purchasing, inventory management, prescription transactions and prescription receipt verification for a minimum of ten years; and
  - 3.1.4.8 Provide to Contractor, DMH, and DMH's designated auditor(s), all records (including, but not limited to those listed in Paragraph 2.1.4.7, prescription, patient and provider information) requested by Contractor, DMH, and/or DMH's designated auditor(s) for purposes of audit, quality improvement and/or drug utilization evaluation, within 30 calendar days of receipt of request, at no additional cost to Contractor or DMH; and
  - 3.1.4.9 Agree for Contractor to provide an un-redacted copy of PPA and any appendices and amendments to DMH within 30 calendar days of receipt of request by DMH; and

- 3.1.4.10 Comply with DMH Billing Instructions in Attachment 18 (PP Billing Instructions) of Exhibit A (SOW and Attachments); and
  - 3.1.4.11 Accept payment for prescription services in accordance with Lower of Pricing reimbursement methodology. Refer to Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments); and
  - 3.1.4.12 Reverse claims for prescriptions filled and submitted for payment but not picked up by CCs within 14 calendar days of date of service. Upon request, provide claim reversal records to DMH or its designated auditor(s) for compliance audit purposes; and
  - 3.1.4.13 When notified that a CC is eligible, or has become retroactively eligible, for third-party prescription drug coverage (i.e., Medi-Cal, Medicare, or other third-party payer) on date of service: (1) reverse claims processed during third-party prescription drug coverage period, (2) when applicable, submit treatment authorization requests (TARs) to appropriate payer(s), (3) back bill appropriate payer(s) for claims. Upon request, provide claim reversal records to DMH or its designated auditor(s) for compliance audit purposes; AND
  - 3.1.4.14 Accept that Contractor or DMH may directly reverse claims that do not meet DMH program requirements, if not reversed by pharmacy within 14 calendar days of receipt of notification from Contractor or DMH
- 3.1.5 At any time during the term of this Contract, DMH, LAC Auditor Controller (A-C), or other County entities may monitor Contractor for compliance with all Contract requirements. When/if deficiencies are found, DMH will issue a contract discrepancy report that details deficiencies and steps to correct these.
- 3.1.6 Contractor will produce a PPN Directory using NCPDP data.
- 3.1.6.1 The PPN directory shall contain, at a minimum, the parameters listed in Attachment 15 (PPN Directory Parameters) of Exhibit A (SOW and Attachments).
  - 3.1.6.2 On the first day of each month, and on the day of each change to the PPN directory, Contractor will submit an updated PPN Directory to DMH, formatted in Excel or other DMH approved format.
    - 3.1.6.2.1 This Directory will flag PPs added and removed from the PPN compared to the previous Directory.

3.1.6.2.2 Contractor will provide the reason for PP's termination from the PPN within seven calendar days from the date of request,

3.1.6.2.3 For Claims Adjudication purposes, a pharmacy is not part of the PPN if it is not listed in the PPN Directory received by DMH, or if DMH has directed its removal in accordance with Paragraph 3.1.2.5 of Exhibit A (SOW and Attachments).

3.1.7 Contractor will communicate all DMH Program policy changes to all PPs, affected by the changes, within ten business days of receipt of the notification of the changes from DMH.

### **3.2 CLAIMS ADJUDICATION**

3.2.1 Contractor will provide Claims Adjudication services 24 hours a day, 365 days a year.

3.2.1.1 Claim Adjudication system downtime will be no more than 1% of total operating time each month.

3.2.2 Contractor will securely receive electronic transmission of claims (real-time adjudication) in accordance with current HIPAA-compliant NCPDP Telecommunication Standard as outlined in Attachment 11 (Information Technology) of Exhibit A (SOW and Attachments).

3.2.3 Contractor will adjudicate Claims in accordance with Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments).

3.2.4 Contractor will submit real-time claim data to Surescripts for prescribers to assess medication fill history and adherence patterns.

### **3.3 DRUG FORMULARY ENFORCEMENT**

3.3.1 Adding and/or Removing Drugs from DMH's Drug Formulary

3.3.1.1 DMH will be the only party that may direct changes to DMH's Drug Formulary. Contractor will not change DMH's Drug Formulary unless DMH has directed such changes in writing.

3.3.1.1.1 Any changes to DMH's Drug Formulary implemented by Contractor without DMH's authorization will be considered null and void for the purposes of Claims adjudication.

3.3.1.2 When DMH directs the addition or removal of a drug from DMH's Drug Formulary, Contractor will apply the updated information to the formulary database within 30 calendar days of receipt of written

notification from DMH. Contractor will notify DMH in writing the date and time when updates are effective in Claims Adjudication system.

3.3.1.3 Upon request from DMH, Contractor will provide DMH with literature and analytics to guide decisions regarding the addition and/or removal of formulary agents, including but not limited to the following information for all drugs identified by DMH:

3.3.1.3.1 Safety and efficacy;

3.3.1.3.2 Place in therapy;

3.3.1.3.3 Typical drug use criteria;

3.3.1.3.4 Disruption analysis to assess the likely impact of changing DMH's Drug Formulary;

3.3.1.3.5 Net drug cost to DMH, factoring in all financial benefits that may be passed through to DMH.

3.3.1.4 Contractor will provide DMH Formulary information to Surescripts to make real-time prescription benefit information available to prescribers for determining patient eligibility, prescription plan information, formulary coverage and alternatives at time of prescribing.

3.3.1.5 The addition or removal of drugs from DMH's Drug Formulary will not require an Amendment of Contract with County.

3.3.2 Any drugs not listed in Attachment 12 (DMH's Drug Formulary) of Exhibit A (SOW and Attachments), are considered non-formulary.

3.3.2.1 New drugs that become commercially available will be treated as non-formulary until added to DMH's Drug Formulary by DMH.

3.3.3 DMH reserves the right to apply formulary restrictions including, but not limited to, Formulation, strength, frequency, quantity, Days' Supply, indication/diagnoses, manufacturer, and National Drug Code (NDC), as needed.

### **3.4 PRIOR AUTHORIZATIONS**

3.4.1 Contractor will implement an electronic Prior Authorization (PA) system whereby PA requests may be adjudicated by DMH. This system will provide web-based, real-time transmission of PA approval information, immediately accessible to pharmacies in the PPN.

3.4.1.1 A PA for a specific strength of a drug will not serve as authorization for other strengths of the same drug.



- 3.4.1.2 For Claims Adjudication purposes, a PA will be considered effective only for the date range specified in the approval.
- 3.4.2 Unless requested otherwise by DMH, only DMH will adjudicate PA requests related to (1) Non-Formulary Drugs, (2) Formulary Drugs with restrictions outlined in Paragraph 3.3.3 of Exhibit A (SOW and Attachments), (3) Brand Name Drugs when Generic Drugs are commercially available, (4) Long-Acting Injectable antipsychotics, (5) Fund-One drugs, (6) Client Eligibility.
  - 3.4.2.1 Only upon written request from DMH will Contractor adjudicate PA requests related to those listed in Paragraph 3.4.2 of Exhibit A (SOW and Attachments) on behalf of DMH. The written request will specify a finite period and scope within which Contractor may adjudicate PA requests.
  - 3.4.2.2 Any PAs adjudicated by Contractor outside the finite period and scope authorized by DMH will be considered null and void for the purposes of Claims adjudication.
- 3.4.3 Unless requested otherwise by DMH, Contractor will adjudicate PA requests that fall within the following categories:
  - 3.4.3.1 Refill-Too-Soon;
  - 3.4.3.2 Overrides;
  - 3.4.3.3 Fills Limit Exceeded.
- 3.4.4 When adjudicating any PAs on DMH's behalf, Contractor will follow DMH PA adjudication protocols. Any PAs adjudicated by Contractor that are not consistent with DMH PA adjudication protocols will be considered null and void for the purposes of Claims Adjudication.
- 3.4.5 PA request submissions will follow the format in Attachment 14 (Prior Authorization Request Form) of Exhibit A (SOW and Attachments).

### **3.5 DATA COLLECTION AND REPORTS**

Contractor will transmit all reports and data files via secured Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant system and/or secure file transfer process and in formats that can be exported into spreadsheets (e.g., Excel) and data base management programs (e.g., Access) for data analysis.

#### **3.5.1 Financial Reports**

Contractor will attach financial reports to each Claims, Administrative, and Ancillary Invoice, in accordance with Paragraph 2.1.1.2 of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments).

### 3.5.2 Standard Reports

Contractor will provide Standard Reports to DMH, as listed in Attachment 7 (Monthly Standard Reports) of Exhibit A (SOW and Attachments), on a monthly basis, within ten (10) calendar days after the end of the calendar month.

### 3.5.3 Ad-hoc Reports

DMH may request reports to inform formulary or PBM operations decisions. Contractor will provide the ad-hoc reports within a mutually agreed upon timeframe.

### 3.5.4 Clinic Medication Dispensary Data

Contractor will provide clinic medication dispensary data to DMH following processes and requirements delineated in Attachment 8 (Clinic Medication Dispensary Data) of Exhibit A (SOW and Attachments).

### 3.5.5 Reporting Tool

Contractor will provide a reporting tool for DMH to reliably access real-time data on all system tables, including but not limited to those listed in Paragraphs 3.5.1 – 3.5.4 of Exhibit A (SOW and Attachments). This tool shall continue to be available to DMH for at least ten (10) years after termination of the Contract.

## 3.6 DRUG REBATE

3.6.1. Contractor will refer to Paragraph 4.0 (Rebates) of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments).

## 3.7 CUSTOMER SERVICE CALL CENTER

3.7.1 Contractor will operate a Customer Service Call Center (CSCC) to answer inquiries from CCs, their Caretakers, PPs, and DMH Staff, 24 hours a day, 365 days a year.

3.7.2 Contractor' CSCC shall have at least:

3.7.2.1 One toll-free phone line (XXX-XXX-XXXX)

3.7.2.2 One fax number: (YYY-YYY-YYYY)

3.7.2.3 One email address: (ZZZZ@ZZZZ.COM)

3.7.3 Contractor will ensure CSCC meets service level standards:

3.7.3.1 All calls to Contractor's CSCC will not exceed a five-minute wait time.

- 3.7.3.2 All calls to CSCC will be answered with an abandonment rate no greater than 3%.
- 3.7.3.3 At least 90% of all calls to CSCC will be resolved at the first point of contact.
- 3.7.3.4 No greater than 3% of calls to CSCC will be blocked, measured on a book of business basis. Blocked means those calls in which a caller receives a busy signal and not a response system or live person.

#### 3.7.4 Translational Services

- 3.7.4.1 For non-English speaking callers, Contractor's CSCC Team staff will provide immediate interpreters in languages listed in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments), 24 hours per day, 365 days per year.
- 3.7.4.2 For the hearing and speech impaired, Contractor's Customer Service Call Center Team will provide TDD-TTY telecommunications, 24 hours per day, 365 days per year.

### 3.8 CLIENT COMMUNICATIONS

- 3.8.1 All Client communications, e.g., notices and surveys, other than for dispensing/refilling a prescription, must be approved by County's Contract Monitoring Manager. County's Contract Monitoring Manager retains the right to determine if communications are of marketing or other nature that is inconsistent with DMH Program policies.

### 3.9 WEB PORTAL

- 3.9.1 Contractor will develop and maintain a web-based system or infrastructure as outlined in Attachment 11 (Information Technology) of Exhibit A (SOW and Attachments).

## 4.0 CONTRACTOR STAFFING, MATERIALS, EQUIPMENT & TRAINING

### 4.1 Personnel

Contractor will assign sufficient number of employees to perform the required work and conduct a background check of their employees as set forth in sub-paragraph 7.5 – Background and Security Investigations, of the Contract.

- 4.1.1 Contractor will assign one (1) full-time equivalent (FTE) Lead Account Manager who must:

- 4.1.1.1 Have three (3) years of experience as a PBM Account Manager.

- 4.1.1.2 Have full authority to act for Contractor on all matters relating to the daily operation of the Contract and to make business decisions on behalf of Contractor.
  - 4.1.1.3 Provide business input and guidance to Account Management Team to resolve issues identified by DMH.
  - 4.1.1.4 Be able to effectively communicate in English, both orally and in writing.
  - 4.1.1.5 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., Pacific Standard Time (PST).
- 4.1.2 Contractor will assign one (1) FTE Project Manager who must:
- 4.1.2.1 Have three (3) years of experience as a PBM Project Manager.
  - 4.1.2.2 Serve as central point of contact for all PBM-related matters.
  - 4.1.2.3 Respond to, follow-up with and resolve inquiries or complaints on any issues raised by DMH staff about Contractor's performance under the Contract.
  - 4.1.2.4 Schedule meetings with stakeholders as requested by DMH.
  - 4.1.2.5 Be able to effectively communicate in English, both orally and in writing.
  - 4.1.2.6 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., PST.
  - 4.1.2.7 Answer all phone calls, emails, and text messages from DMH within one business day of receipt.
  - 4.1.2.8 Provide a cell phone number for emergencies/disaster support, with response time within one hour during emergencies/disasters.
- 4.1.3 Contractor will assign one (1) FTE PBM Technology Lead who will:
- 4.1.3.1 Have three (3) years of experience working in a lead role responsible for all technical aspects of complex PBM implementations.
  - 4.1.3.2 Serve as central point of contact for all matters related to Information Technology (IT) and technical issues that may impact Contractor's delivery of services under this Contract.

- 4.1.3.3 Collaborate with DMH to develop and provide written IT testing plan for DMH approval to fulfill Service Level Agreements (SLA).
- 4.1.3.4 Deliver to DMH:
  - 4.1.3.4.1 A comprehensive technical document that outlines:
    - 4.1.3.4.1.1 Scope of technical work required for Contractor and DMH (e.g. configuring system, testing system, developing interfaces, standing up servers, configuring network/workstations, etc.) in implementation; and
    - 4.1.3.4.1.2 Associated technical specifications/requirements (e.g., server specifications, API/interface specifications, network/firewall specifications, etc.)
  - 4.1.3.4.2 A detailed project schedule that includes all required (DMH- and non-DMH- or Contractor-related) technical tasks/deliverables with associated durations (i.e., start and end dates), dependencies (i.e., predecessor/successor tasks), and resources (i.e., people responsible for completing each task/deliverable) associated with planning and implementation of technical components of PBM solution. The development of project schedule will be a collaborative effort between Contractor and DMH, starting with Contractor's baseline schedule and incorporating DMH's tasks in order to arrive at a comprehensive schedule.
  - 4.1.3.4.3 A comprehensive test plan that includes test scenarios and detailed test cases that exercises overall PBM solution (as opposed to just "IT" components.) The test plan will include criteria that specifies whether each function passes or fails. The plan will also specify a detailed process for reporting and resolving bugs found during testing.
- 4.1.3.5 Communicate any emergency maintenance downtime to DMH at least 24 hours prior to any scheduled maintenance.
- 4.1.3.6 Be able to effectively communicate in English, both orally and in writing.

4.1.3.7 Be reachable (or assign a designee to be reachable) through cell phone 24 hours a day, 365 days a year, to answer escalated IT calls and resolve any pre- and post Go-Live IT issues promptly.

4.1.4 Contractor will assign one (1) FTE for Pharmacist Lead who will:

4.1.4.1 Interface with DMH and act as primary subject matter expert to answer all medication related questions, to be consulted on set-up of prescription claim adjudication system, and to resolve all operational issues that require pharmacist expertise or require pharmacist attention and intervention.

4.1.4.2 Coordinate, implement and measure impact of changes to formulary decisions made by DMH P&T Committee.

4.1.4.3 Advise DMH on Rebate strategies to maximize DMH savings on Rebate-able drugs.

4.1.4.4 Answer clinical questions or calls escalated by Contractor's Customer Service Call Center Team.

4.1.4.5 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., PST.

4.1.5 Contractor will assign one (1) FTE for Coordination of Benefits Lead who will:

4.1.5.1 Screen for public, private and commercial insurance using Passport OneSource or similar software(s) prior to escalating eligibility requests to DMH; provide screening results to DMH with each escalation; redirect eligibility requestor to bill appropriate payer if screening results show Client has prescription coverage; document denial of coverage.

4.1.5.2 Finalize Chargeback recoupment processes (Paragraph 12.2 of Attachment 3 (Financial Exhibit), and Attachment 21 (Process for Recoupment of Chargebacks) of Exhibit A (SOW and Attachments) during Contract Implementation Phase, no later than 30 calendar days prior to Contract Go-Live.

4.1.5.3 Review Claims identified for chargeback and operationalize chargeback recoupment from PPs.

4.1.5.4 Be available Monday through Friday from 8:00 a.m. to 6:00 p.m., PST.

4.1.6 Contractor will assign an Account Management Team which will:

- 4.1.6.1 Consist of the following full time equivalent (FTE) staff, at minimum:
  - 4.1.6.1.1 Contractor's Lead Account Manager
  - 4.1.6.1.2 Contractor's Project Manager
  - 4.1.6.1.3 Contractor's PBM Technology Lead
  - 4.1.6.1.4 Contractor's Pharmacist Lead
  - 4.1.6.1.5 Contractor's Coordination of Benefits Lead
- 4.1.6.2 Oversee services required under this Contract and be responsible for the following:
  - 4.1.6.2.1 Oversee DMH Program design setup ensuring that all DMH Program-specific edits are correctly programmed, performing continual quality checks, developing and maintaining informational materials for customer service agents.
  - 4.1.6.2.2 Implement DMH's process for sending eligibility, managing the data load and exchanges.
  - 4.1.6.2.3 Integrate databases, applications, and software programs to ensure accuracy of the DMH eligibility data to prevent erroneous billing of Clients with other coverage. Access of query information and source tools shall be shared with DMH.
  - 4.1.6.2.4 Submit required data files and reports, ensure data quality and accuracy, and update systems as needed.
  - 4.1.6.2.5 Track DMH Program utilization and costs, handle the analytical needs of DMH, locate opportunities to control costs, monitor drug utilization patterns, make recommendations on updating DMH Program design, participate in quality improvement and utilization management efforts, and coordinate with County's Contract Monitoring Manager.
  - 4.1.6.2.6 Research and document customer issues, monitor performance standards, and immediately address operational issues or DMH requests.
  - 4.1.6.2.7 Implement chargeback recoupment from PPs within seven (7) business days.

4.1.6.3 Contractor will provide DMH immediate and reasonable advance written notice of any planned changes to the Account Management Team.

4.1.6.3.1 Contractor will ensure adequate cross-training and support for Contractor's replacement staff to effectively assume assigned roles and projects.

4.1.7 Contractor will assign a Customer Service Call Center Team (CSCCT) that will:

4.1.7.1 Consist, at minimum, of pharmacy technicians, Contractor's Coordination of Benefits Lead, Contractor's Pharmacist Lead, and Contractor's PBM Technology Lead to appropriately address all levels of administrative, clinical, and technical inquiries

4.1.7.2 Contractor will ensure CSCC is staffed by enough live agents 24 hours per day and 365 days per year to handle the call volume (in compliance with requirements outlined in Paragraph 3.7.3 of Exhibit A (SOW and Attachments)).

#### 4.1.8 General Staffing Requirements

4.1.8.1 Language Ability: Contractor's personnel who are performing services under this Contract will be able to read, write, speak, and understand English in order to conduct business with DMH. In addition to having competency in English, Contractor will ensure there is a sufficient number of bilingual staff or interpreters to meet the language needs of the community served which must include the threshold languages identified in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments).

4.1.8.2. Service Delivery: Contractor will ensure that all professional staff, paraprofessional staff, and volunteers providing PBM services are able to provide services in a manner that effectively responds to differences in cultural beliefs, behaviors and learning, and communication styles within the community where the services are provided.

4.1.8.3 Experience: Contractor will be responsible for securing and maintaining staff who possess sufficient experience and expertise required to provide services in this Contract. Contractor will obtain written verification for staff with foreign degrees that the degrees are recognized as meeting established standards and requirements of an accrediting agency authorized by the U.S. Secretary of Education.



## **4.2 Materials and Equipment**

Contractor will be responsible for the purchase of all materials and equipment to provide services required under this Contract. Contractor will use materials and equipment that are safe for the environment and safe for use by the employee.

## **4.3 Training**

4.3.1 Contractor will provide training programs for all new employees and continuing in-service training for all employees.

4.3.2 Contractor will ensure all Contractor employees who work under this Contract be trained in their assigned tasks and in the safe handling of all equipment used to conduct assigned tasks. Contractor will routinely check all equipment for safety. Contractor will ensure all Contractor employees work in a safe environment according to Occupational Safety and Health Administration standards.

### **4.3.3 Customer Service Call Center Team (CSCCT)**

4.3.3.1 Contractor will provide the CSCCT with initial and refresher training(s), as required by DMH to comply with DMH's program requirements.

4.3.3.2 Contractor will, at minimum, provide the following trainings:

4.3.3.2.1 HIPAA Training;

4.3.3.2.2 Customer Service Training;

4.3.3.2.3 Call Handling, Logging and Tracking Procedures;

4.3.3.2.3.1 Contractor will generate and delineate a CSCC call handling, logging, and tracking procedures. Final processes will be established during Contract Implementation Phase, no later than 30 calendar days prior to Contract Go-Live.

4.3.3.2.4 Scope of Each Staff Level and Call Escalation Matrix;

4.3.3.2.4.1 Contractors will define the scope of each CSCCT staff level. Final processes will be established during Contract Implementation Phase no later than 30 calendar days prior to Contract Go-Live. Each CSCCT staff

level will be adequately trained so that the team as a whole can directly address inquiries.

4.3.3.2.4.2 Contractor will create a CSCCT Call Escalation Matrix. Final processes will be established during Contract Implementation Phase no later than 30 calendar days prior to Contract Go-Live.

4.3.3.2.4.3 Contractor's CSCCT will have sufficient access to Contractor's real-time Claims processing electronic system to directly address inquiries as specified in Attachment 22 (CSCCT Scope of Each Staff Level and Call Escalation Matrix) of Exhibit A (SOW and Attachments).

4.3.3.2.5 Plan/Program Specific Training (DMH's Program Design and Requirements);

4.3.3.2.6 CSCCT's pharmacy technicians and pharmacist(s) will receive training on criteria and procedures for PAs related to Refill-To-Soon, Overrides, and Fills Limit Exceeded.

4.3.3.4 Upon DMH's request, Contractor will provide the percentage of CSCCT staff who have completed trainings required by DMH.

4.3.3.5 Upon DMH's request, Contractor will provide written copies of training material to each CSCCT member for reference and will provide a copy of training material.

4.3.3.6 DMH reserves the right to review and request changes to policies, procedures, and training material relevant to provision of services to DMH Clients, at any time. Contractor will respond with an approval or denial of requested changes within a mutually agreed upon timeframe. Changes will become effective as of the date of approval. Contractor will immediately disseminate updated training material to all CSCCT members. Contractor will schedule training to reinforce changes within a mutually agreed upon timeframe. Contractor will provide documentation of completion status of the above to DMH upon request.

## **5.0 QUALITY CONTROL PLAN**

Contractor will establish and utilize a comprehensive Quality Control Plan (QCP) to monitor quality of services provided throughout term of Contract. Contractor will update and re-submit QCP for DMH approval as needed or required by DMH throughout Contract term. The QCP will include, at minimum, the following:

- 5.1 Method of self-monitoring to ensure that the Contractor will meet the Contract requirements.
- 5.2 A plan for submissions of records, to DMH, of all self-inspections conducted by the Contractor, any corrective action taken, time a problem was first identified, a clear description of problem, time elapsed between identification and completed corrective action, and preventive measures to avoid reoccurrence.

### **5.3 Audits of Participating Pharmacy Network**

5.3.1 Contractor will establish and delineate procedures for all audits conducted by Contractor of its PPs in the PPN, including type of audit, purpose, process, and frequency. Final audit processes will be established and incorporated as Attachment 10 (PP Audit by Contractor or Audit Subcontractor) of Exhibit A (SOW and Attachments) during Contract Implementation Phase but no later than 30 calendar days prior to Contract Go-Live, and will at a minimum assess the following:

5.3.1.1 PP's Compliance with PPN eligibility criteria and contractual requirements as delineated in Paragraphs 3.1.3 and 3.1.4

5.3.1.1.1 At time of pharmacy's entry into PPN and annually, Contractor will collect and retain documentation of compliance with each requirement set forth in Paragraph 3.1.3.

5.3.1.1.2 Within seven (7) calendar days of receipt of Audit Memo from DMH, Contractor will provide to DMH documentation of specified PP's compliance with each requirement set forth in Paragraph 3.1.3.

5.3.1.1.3 Within seven (7) calendar days of receipt of Audit Memo from DMH, Contractor will provide to DMH its PPAs with specified PPs.

5.3.1.2 Claim-specific errors, including but not limited to:

5.3.1.2.1 Missing or incomplete signature logs;

5.3.1.2.2 Using a DAW code incorrectly;

5.3.1.2.3 Over/underbilling quantities;

- 5.3.1.2.4 Calculating Day's Supply incorrectly;
- 5.3.1.2.5 Dispensing unauthorized, early or excessive refills;
- 5.3.1.2.6 Dispensing incorrect drug;
- 5.3.1.2.7 Submitting claim under incorrect member;
- 5.3.1.2.8 Submitting claim under incorrect prescriber;
- 5.3.1.2.9 Origin Code;
- 5.3.1.2.10 Incorrect Original Prescription Date Entry;
- 5.3.1.2.11 No Registered Pharmacist validating dispensation via prescription physical signature notation or electronic pharmacy software verification;
- 5.3.1.2.12 Using a NCPDP/NPI number inappropriately;
- 5.3.1.2.13 Missing or invalid hard copy, when hard copy is required;
- 5.3.1.2.14 Improper documentation of authorized changes to order;
- 5.3.1.2.15 Pharmacy purchasing invoices that do not correspond with NDCs of submitted claims for reimbursement;
- 5.3.1.2.16 Expired or absent pharmacy credentials (licensure, insurance, etc.); and
- 5.3.1.2.17 Pharmacy inventory discrepancies and/or deficiencies.

5.3.1.3 PPN's compliance with capability requirements set forth in Paragraph 3.1.1 of Exhibit A (SOW and Attachments).

#### 5.3.2 Timelines and requirements for appeals of audit findings:

- 5.3.2.1 PPs will have 14 calendar days to appeal the Contractors initial audit findings.
- 5.3.2.2 If the Contractor or Audit Subcontractor denies the initial appeal, PP has a right to request a second level appeal by submitting required documentation to DMH within 14 calendar days of receipt of initial audit findings, for review.

5.3.2.3 If PP does not submit to DMH the required documentation for a second level appeal within the specified timeframe, Contractor will provide PP the Final Audit Report within 36 calendar days of initial audit findings.

5.3.2.4 If PP submits to DMH the required documentation for a second level appeal within the specified timeframe, DMH will have 28 calendar days to review and issue final determination in writing to Contractor. Contractor will provide PP the Final Audit Report within 63 calendar days of initial audit findings.

Final Audit Report findings will be considered final and undisputed and will specify the Overpayment amount containing at least the sum of all denied appeal Claims.

5.3.3 Contractor will report any breach of HIPAA immediately to DMH in accordance with Paragraph 9.1, Health Insurance Portability and Accountability Act of 1996 (HIPAA), of this Contract.

5.3.4 In the event of fraud, waste or abuse on the part of a PP, Contractor will immediately notify DMH and comply with Paragraph 8.0, Standard Terms and Conditions of the Contract.

5.3.5 Upon DMH's written request, Contractor will conduct additional audits of PPs in accordance with DMH written specification as part of routine audit process or in response to a specific concern identified by DMH or Contractor.

5.3.6 DMH reserves the right to direct the type, frequency and selection of Claims for each audit.

5.3.7 Contractor will provide DMH with quarterly reports on all audits conducted. Quarterly report will include, at minimum, findings and a Corrective Action Plan (CAP).

5.3.8 Contractor will propose a CAP process for review and approval by DMH during Contract negotiations.

5.3.9 In addition to audits performed by Contractor, DMH or its designated auditor(s) may directly audit PPs. At no additional cost to DMH, Contractor will provide complete electronic claims detail and any other information necessary for completing DMH audits.

5.3.10 At no additional cost to DMH, Contractor will facilitate meetings, as necessary, between DMH, Contractor, and PPs, to discuss any matters related to audits (timelines, plans, CAPs, etc.).

5.3.11 In the case where Contractor delegates PP audit to an Audit Subcontractor, contract between Contractor and Audit Subcontractor will be amended in

accordance with procedures in Attachment 10 (PP Audit by Contractor or Audit Subcontractor) of Exhibit A (SOW and Attachments), after DMH review.

## **5.4 Audits of Claims Adjudication System**

### **5.4.1 Compliance with Claims Adjudication Criteria**

5.4.1.1 On the 1<sup>st</sup> of each month, or at another frequency or date determined by DMH, Contractor will provide to DMH a file listing Claims adjudicated in the prior month that are noncompliant with criteria set forth in Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments). For each listed Claim, Contractor will provide at minimum the unmet adjudication criteria, claim payment status (paid vs. reversed), and CAP to ensure future compliance.

### **5.4.2 Operation Downtime**

5.4.2.1 Contractor will submit each month's Claim Adjudication system downtime as part of Contractor's bi-annual Quality Control assessment, accompanied by process improvement and follow-up plan, if applicable, to ensure compliance with Paragraph 3.2.1.1 of Exhibit A (SOW and Attachments).

## **5.5 Audits of Call Center Performance**

5.5.1 Contractor will monitor all calls and provide DMH with bi-annual statistics on call center performance including but not limited to call volume (itemize received calls as answered, abandoned, blocked, etc.), call wait time, call duration, caller category (e.g. client, prescriber/prescriber office, retail pharmacy, etc.), category of inquiry (e.g., coverage status, locating participating pharmacy, benefits information, PA request, PA status, etc.), call outcome, and call escalation appropriateness.

5.5.1.1 Contractor will develop and use a call management tracking system to log the above information for each call.

5.5.1.2 Contractor will monitor CSCC for compliance with Paragraph 3.7.3 of Exhibit A (SOW and Attachments).

5.5.2 Contractor will monitor escalated calls for compliance with Paragraphs 4.3.3.2.3 and 4.3.3.2.4 of Exhibit A (SOW and Attachments). Contractor will provide DMH with means for indicating if a call escalation was inappropriate. Contractor will submit a list of inappropriate call escalations as part of Contractor's quarterly Quality Control assessment, accompanied by process improvement and follow-up plan to reduce inappropriate call escalation.

## **6.0 QUALITY ASSURANCE PLAN**

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures outlined in Paragraph 8.15 (County's Quality Assurance Plan) of Appendix A (Sample Contract) of the RFP.

### **6.1 Audits of Contractor Performance**

6.1.1 DMH will evaluate Contractor's performance in accordance with Attachment 26 (Performance Requirements Summary (PRS) Chart) of Exhibit A (SOW and Attachments), which summarizes criteria, method, and frequency of evaluation.

6.1.1.1 Contractor will give DMH access to its software(s) for querying Clients' public, private, and commercial insurance(s), so that DMH may verify Coordination of Benefits and Claims Adjudication by Contractor are compliant with DMH Program Requirements.

6.1.2 Any findings may result in a Contract Discrepancy Report (CDR) per Paragraph 6.1.3 of Exhibit A (SOW and Attachments).

6.1.3 Contract Discrepancy Report – Attachment 9 of Exhibit A (SOW and Attachments).

6.1.3.1 DMH will make a verbal notification of a Contract discrepancy to the Contractor's Contract Manager as soon as possible whenever a Contract discrepancy is identified. The Contractor will resolve the discrepancy within a time period mutually agreed upon by the County and the Contractor.

6.1.3.2 The County Contract Monitoring Manager will determine whether a formal CDR shall additionally be issued. Upon receipt of this document, the Contractor will respond in writing to the County Contract Monitoring Manager within the timeframe specified in the CDR, acknowledging the reported discrepancies or presenting contrary evidence. The Contractor will submit a CAP of all deficiencies identified in the CDR to the County Contract Monitoring Manager within a mutually agreed upon timeframe.

6.1.3.3 Should Contractor dispute findings, Contractor will provide sufficient documentation to support its dispute and shall permit DMH adequate time to review the dispute. If Contractor fails to provide documentation substantiating its position or fails to prove that audit finding(s) are incorrect, the finding(s) shall remain, and corrective steps shall be taken within a mutually agreed upon timeframe.

6.1.4 DMH may withhold payment for related Claims until the Contractor resolves all issues.

## **6.2 Customer Satisfaction Survey**

6.2.1 On behalf of DMH, Contractor will administer Customer Satisfaction Surveys every 12 months to CCs, CC's Caretakers, and DMH Directly-Operated and Contracted Staff, to evaluate services rendered by Contractor's PPN. Survey questions will be determined by DMH. Contractor will be responsible for word processing, formatting, printing, distributing and collecting surveys, and shall report survey results in format and manner approved by DMH no later than 60 calendar days after survey period ends.

6.2.2 Contractor will administer a separate survey every 12 months to PP, to evaluate their support rendered to PP and identify potential areas of improvement. Survey questions will be determined by DMH. Contractor will be responsible for word processing, formatting, printing, distributing and collecting surveys, and shall report survey results in format and manner approved by DMH no later than 60 calendar days after survey period ends.

## **6.3 Meetings**

Contractor will attend meetings required by DMH relevant to provision of PBM services to CCs, including but not limited to DMH Pharmacy and Therapeutics (P&T), DMH PBM/Administration, and ad-hoc meetings.

## **7.0 GREEN INITIATIVES**

7.1 Contractor will use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

7.2 Contractor will notify County's Contract Monitoring Manager of Contractor's new green initiatives prior to the contract commencement.

## **8.0 CONTRACT AMENDMENTS**

8.1 Unless otherwise indicated, all changes must be made in accordance with subparagraph 8.1, Amendments, of the Contract with County.