



CT TEACHERS' RETIREMENT BOARD

765 ASYLUM AVENUE HARTFORD, CT 06105-2822

Toll Free 1-800-504-1101 Local (860) 241-8401 Fax (860) 622-2845

"An Affirmative Action/Equal Opportunity Employer"

www.ct.gov/trb

TRB RFP 2016-001
September 14, 2016

ADDENDUM #1 Questions and Answers to Rx Claims Audit RFP

Q: When would CTRB like to receive the final audit report?

A: On or before December 31, 2017.

Q: We realize that ESI is a relatively new vendor, but has the pharmacy benefits program been audited in prior years?

A: No, this is the first audit.

Q: What other benefit claim audits have been performed in prior periods?

A: Claims were included in a broad review process for our dental and medical vendors. We have determined to not release them as the emphasis was from a different perspective; we would not want to unduly influence the outcome of this process.

Q: Can you please provide a copy of the results of the most recent claims audit performed?

A: We have determined that we would not disclose them as part of this RFP process as the goals were different than those identified in this RFP.

Q: Approximately how many pharmacy claims (number of claims and dollar amounts) were paid during the period from January 1, 2015 through December 31, 2015?

A: The approximate number of claims paid was 600,000 with an approximate gross cost of \$95,000,000.

Q: For certain procedures, CTRB has requested that we test a random sample of claims. What are CTRB's expectations regarding sample sizes for testing?

A: We would like a sample that achieves a 95% degree of credibility. Given that different techniques (stratified versus random sample) take different numbers of claims to generate that degree of confidence we look forward to seeing your proposed audit design. Generally, we expect that the designs will take two to three hundred claims to achieve the 95%.

Q: Sample sizes have a direct relationship on pricing. The level of testing can be tailored to satisfy budgetary constraints while still achieving the appropriate level of coverage. How much has CTRB budgeted to conduct this audit?

A: The TRB does not discuss budgets during the RFP process.

Q: Is there an expectation that denied claims should be tested in order to determine whether the claims were improperly denied?

A: Only if the denied claim shows up in the random sample.

Q: Rebate Accuracy Review Audit Requirement Number 3.a. (1) indicates that we should select the rebate contracts and perform an onsite review of the invoice records. Can you please indicate the State where these onsite procedures will be performed?

A: Missouri

Q: Is it expected that all files and information would be provided in electronic format in order to minimize travel costs?

A: Yes, other than rebate contracts.

Q: Quality Assurance/Internal Controls Audit Requirement Number 9 requires the auditor to evaluate ESI's system design and the suitability and effectiveness of internal controls and reports to ensure processing integrity, including an evaluation of issues relevant to security, availability, confidentiality and privacy. Does this procedure just entail an analysis of ESI's SOC 1 Report that was prepared by ESI's auditors or are there other expectations?

A: An analysis of the SSAE 16 will suffice for our purposes.

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Request for Proposal for Pharmacy Benefits Management Auditing Services

September 1, 2016

REQUEST FOR PROPOSAL (RFP) FOR PMB AUDITING SERVICES

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I. Introduction

The Connecticut Teachers' Retirement Board (CTRB) is requesting proposals from an auditor qualified to audit prescription claims processed by Express Scripts, Inc. ("ESI"), the administrator of the CTRB self-funded retiree prescription plan. The goal is to assess the accuracy and quality of ESI's claims-paying functions on behalf of CTRB.

CTRB is soliciting proposals for the services of an auditor with expertise in all areas germane to prescription drug claims auditing. The Auditor must possess excellent analytical capabilities and in-depth industry knowledge to provide expert advice in connection with performance of the audit.

II. Background

Established in 1917, CTRB is the statewide governmental pension fund providing pension benefits and access to post-retirement health care coverage to Connecticut's retired public school employees. General administration and management of the plan is vested in the Retirement Board under Chapter 167a* of the Connecticut General Statutes, through the Administrator, Mrs. Darlene Perez. The plan is self-funded, exempt from CT premium and sales taxes and is exempt from ERISA.

Currently, CTRB serves more than 130,000 active, inactive, vested, retired members and eligible dependents. Of these members and dependents, there are over 28,000 in the prescription plan, which is the subject of this request for proposal.

The CTRB contracted with ESI effective January 1, 2015, and is participating in an Employer Group Waiver Program (EGWP). We also cover virtually all prescriptions that are not on the Medicare Part D formulary.

For additional information on the plan and the CTRB visit www.ct.gov/trb

III. Scope of Services

- A. The period of claims to be reviewed are those submitted January 1, 2015 through December 31, 2015.

- B. The Auditor shall review ESI pharmacy benefit administration in accordance with the provisions and requirements of this RFP. The CTRB benefit consultant will work with the auditor to acquire the data and other inputs necessary to perform the audit and will monitor the performance of the Auditor to ensure the audit is performed in a manner consistent with the CTRB contract with the Auditor.
- C. The following are the objectives of the audit, which incorporates nine (9) categories of review as outlined below.
1. Claims Pricing (Discount) Accuracy Review, which requires analyzing 100% of the claims incurred, over the audit period, to confirm pricing accuracy.
 2. Plan Design Accuracy Review, which requires analyzing the claims incurred, over the audit period, to determine if claims adjudication has been administered according to the CTRB plan design and within the contractually guaranteed accuracy rate. This should be done in a fashion that provides statistical confidence in the accuracy of the data.
 3. Rebate Accuracy Review, which requires identification and review of the top five (5) drugs (by CTRB ingredient cost) in order to evaluate the effectiveness of rebate program by ESI and involves comparing the rebates credited to CTRB, for audit period.
 4. Drug Pricing Guarantee Review, which requires analyzing enough paid claims to assure 95% statistical credibility over the audit period, to ensure that guarantees for drug ingredient discounts, dispensing fees, and rebates have been measured, reported and paid (if not met) according to the pricing schedule set forth in the agreement with ESI.
 5. Review the annual Medicare Reconciliation, which requires review of ESI's internal reconciliation processes based on CMS rules and regulations, over the audit period.
 6. Pharma Revenue (Donut Hole), which requires review of the pass-through or secondary wrap plan performance with respect to discounts from CMS to ESI and then the calculations to present CTRB with revenue, over the audit period.
 7. Medicare Review, which involves compliance with key Medicare provisions relating to enrollee financial/eligibility requirements, Part B coverage limitations and claim coordination elements, over the audit period.
 8. Eligibility Accuracy Review, which requires review of the eligibility files from CTRB to verify that they are applied timely to the ESI eligibility system and reviewed for errors, omissions and data quality for the audit period.

9. Quality Assurance/Internal Controls, which requires review of ESI's system design and the suitability and effectiveness of internal controls to ensure processing integrity relative to Service Organization Control reports, over the audit period.
- D. The specific audit requirements are listed below. Auditor must fully describe its work plan, detailing methods, milestones and corresponding deliverables for each review category in addition to pricing in Appendix C.

1. Claims Pricing (Discount) Accuracy Review

- a. Conduct a comprehensive assessment of ESI's claims adjudication accuracy (e.g. discounts, dispensing fees, administrative fees) including:
 - (1) Work with the CTRB and its benefit consultant to acquire paid claims data from ESI and aggregate the discounts achieved for both brand name drugs and generic drugs, stratifying by specialty vs non-specialty drugs.
 - (2) Determine that the contractually specified AWP, MAC pricing, application of MAC list and specialty pharmacy pricing were accurately applied to all claims.
 - (3) Request a second dataset from ESI representing a detailed claims file of all retail network pharmacy reimbursements and use it to compare the network pharmacy reimbursement amounts to the invoiced amount. Identify any claims where the discount was not passed through properly and calculate the aggregated discrepancy.
 - (4) Test a random sample of chain and independent pharmacies to ensure pharmacy specific discounts are being appropriately passed through to CTRB.
 - (5) Review all exceptions with ESI to confirm the findings.

2. Plan Design Accuracy Review

- a. Determine the accuracy of claims adjudication with respect to plan design provisions (copayments, coinsurance, quantity limits, excluded medications, prior authorizations, step therapy programs, reversed and reprocessed claims) by performing the following:
 - (1) Analyze the claims dataset in order to validate the correct application of plan design and ensure claims were processed in accordance with the Benefit Plan Level (BPL) set-up documents. Test areas will include, but may not be limited to: copayments, coinsurance, and exclusions, as well as other cost management features such as formulary structure, quantity

level limits and step therapies. Testing a sample of the results from the electronic analysis to validate findings may be an option for certain edits.

3. Rebate Accuracy Review

- a. Evaluate the accuracy of manufacturer rebates received by ESI and credited to CTRB including:
 - (1) Request National Drug Code (NDC) level data showing rebate amounts invoiced by ESI to manufacturers in order to identify the top drug manufacturers by revenue. Select the rebate contracts and perform onsite review of the invoice records and rebate payments, comparing them to rebate contract terms and provisions applicable to each drug in order to assess the correct rebate percentages were applied, taking into account any exceptions or adjustments based on volume, rebate eligibility criteria or other applicable terms.
 - (2) Confirm the drug volumes invoices for CTRB based on analysis of the claims data to ensure appropriate volumes were considered for rebate eligibility.
 - (3) Review rebates payable to CTRB and confirm, if applicable, that rebate guarantees submitted electronically through retail or mail service programs have/have not been achieved.

4. Drug Pricing Accuracy Review

Determine if the contractual pricing guarantees, such as drug ingredient discounts, dispensing fees, and rebates have been met according to the pricing schedule set forth in the agreement with ESI.

- (1) Review retail claims to validate that guarantees related to Brand Average Wholesale Price Discounts, Generic Effective Discounts, and Dispensing Fees have or have not been met.
- (2) Review mail service claims to validate that guarantees related to Brand Average Wholesale Price Discounts, Generic Effective Discounts, and Dispensing Fees have or have not been met.

5. Medicare Reconciliation

Determine if the annual reconciliation correctly and accurately meets the Centers for Medicare and Medicaid Services (CMS) requirements. Review

ESI's internal reconciliation processes for compliance with applicable CMS rules and regulations.

6. Medicare Pharma Revenue

Determine if CTRB was provided the accurate reimbursement of plan cost based on the applicable Pharma discount (coverage gap) methodology. Review the pass through from CMS to ESI and then verify calculations for the reimbursement of plan cost presented to CTRB.

7. Medicare Review

Determine the accuracy of claims adjudication with respect to applicable Medicare guidelines for: appropriateness of Part B vs Part D coverage/plan payment, incurred Medicare fees to CTRB for Part D Late Enrollment penalty, Low Income Cost Sharing, Low Income Subsidy, Direct Subsidy and Medicare B deductible coordination.

8. Eligibility Accuracy Review

Review that the CTRB eligibility file has been applied timely to the ESI eligibility system and reviewed for errors, omissions and data quality.

9. Quality Assurance/ Internal Controls

Evaluate ESI's system design and the suitability and effectiveness of internal controls and reports to ensure processing integrity. Also include evaluation on issues relevant to security, availability, confidentiality and privacy.

IV. Cost

- A. The Auditor should complete the pricing tables in Appendix C for this audit. Information submitted in the pricing section will not be considered a trade secret and will be subject to FOI request under Connecticut FOIA laws.
- B. CTRB will not accept proposals that include charges for the upkeep and/or updating of the Auditor's information technology hardware or software.
- C. Hourly rates for each auditing personnel must be detailed for ad hoc and/or out-of-scope services in the table in Appendix C. These rates will be binding for the duration of the audit.

- D. Any out-of-scope services performed by the Auditor prior to CTRB's express written consent will not be billable to CTRB.

V. Resources and Contract Requirements

- A. A brief description of the CTRB health care program, including some high-level plan information, can be found on the CTRB web site: www.ct.gov/trb. More specific information, e.g., pharmacy edits, etc., will be provided to the final selected proposer by CTRB.
- B. If selected by CTRB, the Auditor must agree to the State of Connecticut contract for large vendors with a value of \$50,000 or more, including the following contract provisions in the agreement to be executed between the Auditor and CTRB.
 - 1. The Auditor shall act with respect to any transaction arising from or pertaining to its services or involving any interest of the CTRB, only under the agreement and shall not receive any remuneration in connection with such transaction except under the agreement or as may be determined by mutual agreement of CTRB and Auditor in writing in advance.
 - 2. The Auditor shall disclose in advance of any work performed or recommendations provided any potential conflicts of interest that could reasonably be expected to affect the objectivity of Auditor and its employees in fulfilling their duties.
 - a. This RFP is not a contract and shall not be interpreted as such. Rather, this RFP only serves as the instrument through which proposals are solicited. Once the evaluation of the proposals is complete and a firm is selected, the selected proposal and this RFP may then serve as the basis for the Contract to be executed between the CTRB and the selected firm; and approved by the Attorney General's Office. If the firm, the CTRB and the Attorney General's Office fail to reach agreement on all issues relative to the Contract within a time determined solely by the CTRB, then the CTRB may commence and conclude contract negotiations with other proposers. The CTRB may decide at any time to start this RFP process again.
 - b. Conn. Gen. Stat. § 4-252 requires that this RFP include a notice of the certification requirements described in this statute. Accordingly, pursuant to this statute, firms are notified as follows:

- (1) The terms “gift,” “quasi-public agency,” “state agency,” “large state contract,” “principals and key personnel” and “participated substantially” as used in this section 10(b) shall have the meanings set forth in this statute.
- (2) No state agency or quasi-public agency shall execute a large state contract unless the state agency or quasi-public agency obtains the written certifications described in this section 10(b). Each such certification shall be sworn as true to the best knowledge and belief of the person signing the certification, subject to the penalties of false statement.
- (3) The official of the person, firm or corporation awarded the contract, who is authorized to execute the contract, shall certify on such forms as the State shall provide:
 - (a) That no gifts were made between the date that the state agency or quasi-public agency began planning the project, services, procurement, lease or licensing arrangement covered by the contract and the date of execution of the contract, by (i) such person, firm, corporation, (ii) any principals and key personnel of the person, firm or corporation, who participated substantially in preparing the bid or proposal or the negotiation of the contract, or (iii) any agent of such person, firm, corporation or principals and key personnel, who participated substantially in preparing the bid or proposal or the negotiation of the contract, to (I) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for the contract, who participated substantially in the preparation of the bid solicitation or request for proposals for the contract or the negotiation or award of the contract, or (II) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency;
 - (b) That no such principals and key personnel of the person, firm or corporation, or agent of such person, firm or corporation or principals and key personnel, knows of any action by the person, firm or corporation to circumvent such prohibition on gifts by providing for any other principals and key personnel, official, employee or agent of the person, firm or corporation to provide a gift to any such public official or state employee; and
 - (c) That the person, firm or corporation made the bid or proposal without fraud or collusion with any person.

- (4) Any bidder or proposer that does not make the certifications required under section 10(b)(3) shall be disqualified and the state agency or quasi-public agency shall award the contract to the next highest ranked proposer or seek new proposals.
- c. Section 4a-81 of the Connecticut General Statutes requires that this RFP include a notice of the consulting affidavit requirements described in the statute. Accordingly, pursuant to the statute, vendors are notified as follows:
- (1) No state agency shall execute a contract for the purchase of goods or services, which contract has a total value to the state of fifty thousand dollars or more in any calendar or fiscal year, unless the state agency obtains the written affidavit described in subsection (2) of this section.
 - (2) The chief official of the vendor awarded a contract described in section 10(c)(1) or the individual awarded such contract who is authorized to execute such contract, shall attest in an affidavit as to whether any consulting agreement has been entered into in connection with such contract. Such affidavit shall be required if any duties of the consultant included communications concerning business of such state agency, whether or not direct contact with a state agency, state or public official or state employee was expected or made. "Consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (i) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (ii) contacting, whether in writing or orally, any executive, judicial, or administrative office of the state, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction or requests for information or (iii) any other similar activity related to such contract. "Consulting agreement" does not include any agreements entered into with a consultant who is registered under the provisions of Chapter 10 of the Connecticut General Statutes concerning the State's Codes of Ethics, as of the date such affidavit is submitted.
 - (3) Such affidavit shall be sworn as true to the best knowledge and belief of the person signing the certification on the affidavit and shall be subject to the penalties of false statement.
 - (4) Such affidavit shall include the name of the consultant, the consultant's firm, the basic terms of the consulting agreement, a brief description of the services provided, and an indication as to whether the consultant is a former state employee or public official. If the consultant is a former

state employee or public official, such affidavit shall indicate his or her former agency and the date such employment terminated.

- (5) The Office of Policy and Management has provided OPM Ethics Form 5 to satisfy the requirements of this statute. Accordingly, the firm must deliver this Form 5, available through BizNet as described in Section III (A)(b) above, together with its proposal and then deliver an updated Form 5 dated the date that the firm executes the Contract. Such affidavit shall be amended whenever the vendor awarded the contract enters into any new consulting agreement during the term of the contract.
 - (6) If a vendor refuses to submit the affidavit required under section 10(c)(2), then the state agency shall not award the Contract to such vendor and shall award the contract to the next highest ranked vendor or the next lowest responsible qualified proposer or seek new proposals.
 - (7) This section 10(c) is set forth here only for purposes of providing notice of the requirements of the Act. Accordingly, it is neither intended nor should it be interpreted nor relied upon to be a complete and full reiteration of the Act's contents. Any interpretation or understanding of the Act's requirements or content by any party must come only from reading the full text of the Act itself.
- d. Pursuant to Governor M. Jodi Rell's Executive Order No. 1, paragraph 8, and Governor M. Jodi Rell's Executive Order No. 7C, paragraph 10(a), contractors executing state contracts with a value to the State of \$50,000 or more in a calendar or fiscal year shall execute a **Gift and Campaign Contribution Certification (OPM Ethics Form 1)** contemporaneously with the contract certifying that between the planning and start date and the execution date, neither the contract signatory nor any principals nor key personnel of the contractor who participated directly, extensively and substantially in the preparation of the proposal or in the negotiation of the contract gave a contribution to candidates for statewide public office or the General Assembly. The firm must execute the Contract and this Form 1 through the BizNet system as explained in Section III, above, and update the form at least annually.

Contractors are then required to submit a contract certification (annually to update previously submitted certification forms for state contracts. Contractors must use the Gift and Campaign (OPM Ethics Form 1) for this purpose.

- e. Pursuant to Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended by Public Act 07-245 and Sections 9 and 10 of Public Act 07-

142, every contractor is required to provide the State with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the contractor's nondiscrimination agreements and warranties which are included in such contractor's contract pursuant to said statutes. The applicable certification form must be completed and submitted through the BizNet system, as explained in Section III, above, and updated at least annually.

VI. Submission Requirements

- A. To be considered, all submissions must include all of the following:
1. Responses to the questions asked;
 2. All information and completed forms attached to this RFP;
 3. A statement affirming specifically that all of the representations and warranties set forth in Special Terms and Conditions numbers 12 (Independent Price Determinations) and 13 (Offer of Gratuities), below; and
 4. The following completed forms:
Agency Vendor Form (SP-26NB), available at [http://www.das.state.ct.us/Purchase/Info/Vendor_Profile_Form_\(SP-26NB\).pdf](http://www.das.state.ct.us/Purchase/Info/Vendor_Profile_Form_(SP-26NB).pdf);
W-9 Form, available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>
 5. Five paper copies of all required or supporting documents, and five copies of a CD-ROM containing all documents in a format compatible with Microsoft Word, current version, and affording the user the capability of searching its contents; except the signature pages and required or necessary forms not conveniently available in Microsoft Word may be provided in PDF format;
 6. Additional required forms as described below must be on file with the Biznet system by the deadline for submission of proposals, as well as paper copies need to be provided with the submission of the proposal to the CTRB.
 - a. **INTRODUCTION TO BIZNET**

The Connecticut Department of Administrative Services ("DAS") requires that all firms seeking to do business with the State create a business profile, or account, on the DAS Business Network ("BizNet") system. Firms are responsible for updating firm information on a continuous basis as changes occur.

Firms create an account on BizNet by using the following link: <https://www.biznet.ct.gov/AccountMaint/Login.aspx>. Once your firm creates an account, login and select “CT Procurement” and then “Company Information” for access. If you experience difficulty establishing or otherwise managing your firm’s account, please call DAS at 860-713-5095.

DAS has implemented the requirement to create a BizNet account in accordance with Public Act 11-229, enacted to make doing business with the State of Connecticut more business friendly.

BizNet has automated the completion and submission of the Ethics Affidavits, Non-Discrimination forms and the Commission on Human Rights and Opportunities (CHRO) Workplace Analysis Affirmative Action Report/Employment Information Form. Firms must now upload these forms electronically to their BizNet account and update them on an annual basis. Firms will have the ability to view, verify and update their information, by logging in to their BizNet account, prior to submitting responses to an RFP.

For information about **how to upload** the Ethics Affidavits and Non-Discrimination forms please access the following page: <http://das.ct.gov/images/1090/Upload%20Instructions.pdf>

b. **ETHICS AFFIDAVITS**

THE FOLLOWING ETHICS FORMS MUST BE SIGNED, DATED, NOTARIZED, UPLOADED OR UPDATED ON BIZNET. TO OBTAIN THESE FORMS, YOU MUST LOGIN TO BIZNET AND FOLLOW THE INSTRUCTIONS REFERENCED ABOVE.

- (1) OPM Ethics Form 1, Gift & Campaign Contribution Certification
- (2) OPM Ethics Form 5, Consulting Agreement Affidavit
- (3) OPM Ethics Form 6, Affirmation of Receipt of State Ethics Laws Summary

For information about **how to complete** these forms, please access the Office of Policy & Management’s website by using the following link: <http://www.ct.gov/opm/cwp/view.asp?a=2982&q=386038>

c. **NON-DISCRIMINATION FORMS**

CHOOSE ONE (1) OF THE FORMS LISTED BELOW THAT APPLIES TO YOUR BUSINESS. COMPLETE AND UPLOAD OR UPDATE THE FORM ON BIZNET ANNUALLY. TO OBTAIN A COPY OF THESE FORMS, YOU MUST LOGIN TO BIZNET AND FOLLOW THE INSTRUCTIONS REFERENCED ABOVE.

- (1) Form A–Representation by Individual (Regardless of Value)

- (2) Form B–Representation by Entity (Valued at \$50,000 or less)
- (3) Form C–Affidavit by Entity (Valued at \$50,000 or more)
- (4) Form D–New Resolution by Entity
- (5) Form E–Prior Resolution by Entity

For information about **how to complete** these forms, including which form your firm should complete, please access the Office of Policy & Management’s website by using the following link:

http://www.ct.gov/opm/cwp/view.asp?a=2982&q=390928&opmNav_GID=1806

d. **COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES (CHRO) WORKPLACE ANALYSIS AFFIRMATIVE ACTION REPORT/EMPLOYMENT INFORMATION FORM.**

For information about **how to complete** these forms you may contact Diana Comeau at Diana.Comeau@ct.gov for assistance.

THE CHRO WORKPLACE ANALYSIS AFFIRMATIVE ACTION REPORT/EMPLOYMENT INFORMATION MUST BE COMPLETED IN BIZNET AND UPDATED AS NECESSARY. YOU MUST LOGIN TO BIZNET AND FOLLOW THE INSTRUCTIONS REFERENCED ABOVE.

- B. Concise answers are encouraged. Responses should be prepared on 8 ½ x 11 inch paper using at least 12 point type with standard margins.
- C. The submission of proposals shall constitute, without any further act required of the proposers or the CTRB, acceptance of the requirements, administrative stipulations and all of the terms and conditions of this RFP. Proposals must reflect compliance with such requirements. Failure of the proposal to so comply may result in the CTRB’s rejection of the proposal. The CTRB will reject any proposal that deviates materially from the specifications, terms or conditions of this RFP. Proposers submitting proposals with any minor or immaterial deviations must identify and fully justify such deviations in order for the CTRB to consider their proposal.
- D. No additions or changes to any proposal will be allowed after the proposal due date, unless the CTRB specifically requests such modification. The CTRB may, at its option, seek proposer retraction and/or clarification of any discrepancy or contradiction found during the review of proposals.

VII. General Terms and Conditions

- A. Proposals and other material submitted in response to this RFP are deemed to be a public record and subject to disclosure under Connecticut's Public Records Law in the event of a public records request. It is the Auditor's responsibility to determine if any portion of its proposal or other materials is not subject to disclosure under Connecticut Freedom of Information laws prior to submitting its proposal and other materials to the CTRB. If the Auditor makes such a determination, it should submit a redacted version of its proposal and materials submitted in response to this RFP. The redacted version must contain the reason for and citations to Connecticut law supporting each and every redaction. Any redaction not so supported will be disregarded by CTRB in the event of a public records request. The pricing associated with this RFP will be considered to be public information and will be released under CT FOI. **If this is not acceptable to your firm, please do not respond to this RFP.**
- B. CTRB will not be liable for any costs incurred by the Auditor in the RFP process.
- C. The Auditor should respond promptly to any request by CTRB for literature, work samples, or other documentation in connection with the evaluation of the Auditor's proposal.
- D. All proposals and other materials submitted will become the property of CTRB and will not be returned. Except as otherwise prohibited by laws, CTRB will have the right to use any materials or ideas submitted in any proposal without compensation to Auditor.
- E. The Auditor agrees to comply with all terms, conditions, and requirements set forth in this RFP.
- F. CTRB may terminate or modify this RFP or its timetable at any time for any reason.
- G. CTRB may accept or reject any proposal, in whole or in part, or negotiate modifications or revisions to a proposal or negotiate with any one or more Auditors that submit proposals. CTRB is not under any obligation to accept a proposal with the lowest cost or any proposal at all. CTRB is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.
- H. CTRB makes no representations or warranties, express or implied, as to the accuracy or completeness of the information in this RFP. Nothing contained in this RFP is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the responses to the RFP or to select an Auditor to work

with CTRB. Any recipient of this RFP should conduct its own independent analysis of CTRB and the information contained or referenced in this RFP.

VIII. Communications with CTRB

Auditors which intend to submit a Response should not contact any member of CTRB Staff or members of the Retirement Board, other than Darlene Perez, CTRB Administrator, prior to the question due date. An exception to this rule applies to vendors who currently do business with CTRB, but any contact made by such vendor(s) with person should be limited to that business, and should not relate to this RFP.

IX. Questions Relating to this RFP

All questions concerning this RFP must be received in writing or by email to Darlene Perez, Administrator at Darlene.perez@ct.gov; or CTRB, Attn: Darlene Perez, Administrator, 765 Asylum Avenue, 2nd Floor, Hartford, CT 06105 by September 13, 2016. Answers to written or emailed questions received by this deadline will be available to all vendors as an addendum to this RFP on the DAS and CTRB websites. Questions submitted after the deadline or other than by writing or email will not be considered.

X. Process for Selecting Auditor

- A. During the evaluation of proposals, Darlene Perez, CTRB Administrator may request clarifications from any Auditor under consideration and may give any Auditor the opportunity to correct defects in its proposal if the CTRB believes doing so does not result in a material unfair advantage and to do so is in the best interest of the CTRB.
- B. CTRB may, but is under absolutely no obligation and makes no commitment to, waive any defects in any response to this RFP.
- C. The following estimated timetable has been established for this RFP:

RFP release date:	September 1, 2016
Letters of intent due: (An e-mail to Darlene.perez@ct.gov is acceptable)	September 9, 2016
Submission of written questions are due by:	September 13, 2016
Proposal submission deadline:	September 20, 2016
Interviews, if necessary:	September 27, 2016
Auditor selection and notification:	October 5, 2016

- D. CTRB will initially evaluate proposals based on the following criteria:
1. Cost, rates and project deliverables;
 2. Auditor's approach including project timetable;
 3. Responsiveness to this proposal and work plan;
 4. Auditor's understanding, experience, and familiarity with projects of similar size, scope and population (Medicare);
 5. Qualifications and related experience of individuals assigned;
 6. Strength of technology, analytical tools, expertise and innovative solutions.
- E. CTRB, at its discretion, may request Auditors to interview and make a presentation about their proposal in Hartford, Connecticut. Not all Auditors may be selected to interview and make presentations. CTRB will not pay or reimburse Auditor for any travel or other costs incurred by Auditor in connection with interviews or presentations.
- F. CTRB may consider the proposals, interviews and presentations, if any, and any other criteria CTRB may deem relevant in making a final selection.

Appendix A

Questionnaire

A. Auditor Personnel

1. Provide a list of the Auditor's personnel to be assigned to this project and background information related to their expertise in the following aspect of prescription claims auditing:
 - Industry data and information including predictive modeling outcomes
 - Plan design considerations
 - Eligibility processes
 - Claims processing (capabilities, accuracy, speed, staffing and infrastructure)
 - Data management, integration and sharing
 - Audit rights/procedures
 - Coordination of benefits, recovery of over-payments
 - Medicare coordination of benefits
 - Claims subrogation activities
 - Performance guarantees and fees-at-risk
 - Claims reconciliation

B. Understanding of the Project

1. Provide a detailed description of your understanding of the services requested, including a description of how the Auditor proposes to provide services required under each item of the Scope of Services in Section III of this RFP.
2. Provide a narrative that supports why the Auditor is qualified to undertake the services requested in this RFP.
3. Provide a detailed explanation of the Auditor's sampling methodology, including a description of the calculation/presentation of results and what performance measures will be calculated.
4. Provide a description of any areas or processes not included in the scope of services that the Auditor may examine to provide more complete services on the project with the rationale for recommending these additional areas or processes.

C. Cost

The Auditor must submit pricing for services in the format of Appendix C, as explained in Section IV of this RFP.

D. Additional Information

1. Provide a brief description of the work product from prior contracts of the Auditor that may be relevant to the scope of services proposed in this RFP, including specifically any work for a governmental entity.
2. Provide three references, two of which may represent completed projects within the last four years. References should include the name, title, telephone number, and address of each person, firm, or entity, and be available for contact by CTRB.
3. Describe the Auditor's experience providing auditing services to retiree groups with 10,000 or more Medicare population enrollees.
4. Provide a description of the type of encryption and security procedures Auditor utilizes to secure protected health information, specifically the ability to use FTP for sending/receiving data.
5. Provide a brief description of any current or recent projects your organization has had in auditing ESI.
6. Explain how you handle the extrapolation of errors found in the claim samples (i.e., what do you recommend to a client).

E. Standards of Conduct

1. How does the firm identify and manage conflicts of interest?
2. Are there any potential conflicts of interest that the firm would have in providing the requested services to the CTRB? If yes, explain.
3. List and describe any relationships and/or contacts the firm or its officers or employees have had with any CTRB Retirement Board member and/ or staff member within the last 12 months.
4. Has the firm or any officer or employee given any remuneration or anything of value directly or indirectly to CTRB or any of its Retirement Board members, officers, or employees? If yes, identify the recipient and remuneration of things of value.
5. Has the firm or any officer, principal or employee given any remuneration or anything of value as a finder's fee, cash solicitation fee, or fee for consulting, lobbying or otherwise, in connection with this RFP. If yes, identify the recipient and remuneration of things of value.

- 6. Within the last five (5) years:
 - a. Has the firm or employee been a defending party in a legal proceeding before a court related to the provision of audit services?
 - b. Has the firm or any officer or employee been the subject of a governmental regulatory agency inquiry, investigation, or charge?
 - c. Has the firm submitted a claim to the company's liability insurance carrier involving any auditing services such as those sought under this RFP?
If yes to any of the above, describe the event and the current status or resolution; include any case citation.

F. Performance Guarantees

Provide performance guarantees for your proposed services (e.g., what fees will you put at risk for your performance).

Appendix B

Plan Enrollment and drug spend

Average Covered lives calendar year 2015	25,500
Covered lives current	28,000
Premium Equivalent calendar year 2015	\$46,900,000

Appendix C

Pricing

Component	Staff members involved	Estimated hours	Rate by auditor and in total
Claim discount review			
Plan design review			
Rebate review			
Drug pricing review			
Medicare Reconciliation			
Doughnut hole review			
Eligibility Review			
Internal control review			
Preparation of Audit report			
Total costs			
Guaranteed pricing			

Costs for Ad hoc analysis

Type of Personnel	
Principal auditor	
Other audit staff	
Technical professional	

Cost for Travel

Please detail the proposed treatment of travel expense for Ad hoc Meeting (if necessary)