

**CONTRACT BETWEEN STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH**

LAGOV:

LDH:

BHSF

Bureau of Health Services Financing

Agency #

AND

Magellan Medicaid Administration, Inc

FOR

Interagency Personal Services Professional Services Consulting Services Social Services

RFP NUMBER (if applicable):

1) Contractor (Registered Legal Name) Magellan Medicaid Administration, Inc			5) Federal Employer Tax ID# or SSN# (11 digits) State LDR Account #	
2) Street Address 11013 W. Broad Street, Suite 500			6) Parish(es) Served choose Parishes... ST	
City Glen Allen	State VA	Zip Code 23060	7) License or Certification # N/A	
3) Telephone Number			8) Contractor Status	
4) Mailing Address (if different)			Subrecipient: <input type="checkbox"/> Yes <input type="checkbox"/> No	
			Corporation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
			For Profit: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
			Publicly Traded: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
City	State	Zip Code	8a) CFDA#(Federal Grant #)	

9) **Brief Description Of Services To Be Provided:**
 The contractor will assist the Department in developing, implementing, and providing support for the Medicaid Pharmacy Program's State Supplemental Rebate/Preferred Drug List (PDL) program. The contractor shall perform these duties as detailed in the Statement of Work.

10) Effective Date 01-01-2019	11) Termination Date 12-31-2019
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12) Maximum Contract Amount \$624,240.00

13) Amounts by Fiscal Year SFY 19 - \$312,120; SFY 20 - \$312,120
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14) **Terms of Payment**
 If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:
 \$52,020/month (FY19 Total \$312,120) - 6 months
 \$52,020/month (FY20 Total \$312,120) - 6 months

Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name	Last Name
	Title	Phone Number

15) **Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):**

Attachment A: HIPAA Addendum
Attachment B: Statement of Work

Exhibit 1: Board Resolution
Exhibit 2: Certificate of Authority
Exhibit 3: Resumes
Exhibit 4: Emergency Preparedness Plans
Exhibit 5: Out of State Justification
Exhibit 6: Multi Year Justification Letter
Exhibit 7: Additional Provisions

Attachment:HIPAA Addendum
Attachment:Standard Provisions
Attachment:Special Provisions
 Attachment:Statement of Work
Attachment:Fee Schedule
Attachment:Budget
Attachment:
Exhibit:Board Resolution
Exhibit:Disclosure of Ownership
Exhibit:Multi Year Letter
Exhibit:Late Letter
Exhibit:Out of State Justification
Exhibit:Certificate of Authority
Exhibit:Resume
Exhibit:License
Exhibit:

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. **Discrimination Clause:** Contractor hereby agrees to abide by the requirements of the following as applicable: Titles VI and VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973; Federal Executive Order 11246 as amended; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Fair Housing Act of 1968; and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services.

Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, sexual orientation, age, national origin, disability, political affiliation, veteran status, or any other non-merit factor. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this contract.

2. **Confidentiality:** Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. **Auditors:** The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a five year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Louisiana Department of Health, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or LDH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Louisiana Department of Health, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the originating LDH Office.

4. **Record Retention:** Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. **Record Ownership:** All records, reports, documents and other material delivered or transmitted to Contractor by the Department shall remain the property of the Department, and shall be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the Department, and shall, upon request, be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract.
6. **Nonassignability:** Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of State Procurement.
7. **Taxes:** Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The Contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
8. **Insurance:** Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Louisiana Department of Health, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
9. **Travel:** In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
10. **Political Activities:** No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the Legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
11. **State Employment:** Should Contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.
12. **Ownership of Proprietary Data:** All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

13. **Subcontracting:** Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of and services which are incidental but necessary for the performance of the work required under this contract.

No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.

14. **Conflict of Interest:** Contractor warrants that no person and no entity providing services pursuant to this contract on behalf of Contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113.
15. **Unauthorized Services:** No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
16. **Fiscal Funding:** This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$2,000, the Division of Administration, Office of State Procurement.

The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

17. **State and Federal Funding Requirements:** Contractor shall comply with all applicable requirements of state or federal laws or regulations relating to Contractor's receipt of state or federal funds under this contract.

If Contractor is a "subrecipient" of federal funds under this contract, as defined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Contractor shall comply with all applicable requirements of 2 CFR Part 200, including but not limited to the following:

- Contractor must disclose any potential conflict of interest to the Department and the federal awarding agency as required by 2 CFR §200.112.
- Contractor must disclose to the Department and the federal awarding agency, timely and in writing, all violations of federal criminal laws that may affect the federal award, as required by 2 CFR §200.113.
- Contractor must safeguard protected personally identifiable information and other sensitive information, as required by 2 CFR §200.303.
- Contractor must have and follow written procurement standards and procedures in compliance with federally approved methods of procurement, as required by 2 CFR §§200.317 - 200.326.
- Contractor must comply with the audit requirements set forth in 2 CFR §§200.501 - 200.521, as applicable, including but not limited to:
 - Electronic submission of data and reports to the Federal Audit Clearinghouse (FAC) (2 CFR §200.512(d)).
 - Ensuring that reports do not include protected personally identifiable information (2 CFR §200.512(a)(2)).

Notwithstanding the provisions of paragraph 3 (Auditors) of these Terms and Conditions, copies of audit reports for audits conducted pursuant to 2 CFR Part 200 shall not be required to be sent to the Department.

18. **Amendments:** Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if the contract exceeds \$2,000, by the Division of Administration, Office of State Procurement. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
19. **Non-Infringement:** Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against LDH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in LDH's name, but at Contractor's expense and shall indemnify and hold harmless LDH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
20. **Purchased Equipment:** Any equipment purchased under this contract remains the property of the Contractor for the period this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of LDH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
21. **Indemnity:** Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, LDH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which R.S. 40:1237.1 et seq. provides malpractice coverage to the Contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further, it does not apply to premises liability when the services are being performed on premises owned and operated by LDH.

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

Magellan Medicaid Administration, Inc

**STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH**

SIGNATURE **DATE**

SIGNATURE **DATE**

NAME

NAME

Secretary, Louisiana Department of Health or Designee

TITLE

TITLE

Bureau of Health Services Financing

SIGNATURE **DATE**

SIGNATURE **DATE**

Jen Steele

NAME

NAME

Medicaid Director

TITLE

TITLE

22. **Severability:** Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.
23. **Entire Agreement:** Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.
24. **E-Verify:** Contractor acknowledges and agrees to comply with the provision of R.S. 38:2212.10 and federal law pertaining to E-Verify in the performance of services under this contract.
25. **Remedies for Default:** Any claim or controversy arising out of this contract shall be resolved by the provisions of R.S. 39:1672.2-1672.4.
26. **Governing Law:** This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, and specifications listed in the RFP (if applicable); and this Contract.
27. **Contractor's Cooperation:** The Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the state when requested. This applies even if this Contract is terminated and/or a lawsuit is filed. Specifically, the Contractor shall not limit or impede the State's right to audit or shall not withhold State owned documents.
28. **Continuing Obligation:** Contractor has a continuing obligation to disclose any suspension or debarment by any government entity, including but not limited to the General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future contracts.
29. **Eligibility Status:** Contractor and each tier of Subcontractors, shall certify that it is not excluded, disqualified, disbarred, or suspended from contracting with or receiving federal funds or grants from the Federal Government. Contractor and each tier of Subcontractors shall certify that it is not on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24CFR Part 24, and "NonProcurement Debarment and Suspension" set forth at 2CFR Part 2424.
30. **Act 211 Taxes Clause:** In accordance with R.S. 39:1624(A)(10), the Louisiana Department of Revenue must determine that the prospective contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue prior to the approval of this contract by the Office of State Procurement. The prospective contractor hereby attests to its current and/or prospective compliance, and agrees to provide its seven-digit LDR Account Number to LDH so that the prospective contractor's tax payment compliance status may be verified. The prospective contractor further acknowledges understanding that issuance of a tax clearance certificate by the Louisiana Department of Revenue is a necessary precondition to the approval and effectiveness of this contract by the Office of State Procurement. LDH reserves the right to withdraw its consent to this contract without penalty and proceed with alternate arrangements should the vendor fail to resolve any identified apparent outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) business days of such notification.
31. **Termination for Cause:** The Department may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that the Department shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the Department may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the Department to comply with the terms and conditions of this contract; provided that the Contractor shall give the Department written notice specifying the Department's failure and a reasonable opportunity for the state to cure the defect.
32. **Termination for Convenience:** The Department may terminate this Contract at any time by giving thirty (30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.
33. **Commissioner's Statements:** Statements, acts and omissions made by or on behalf of the Commissioner of Administration regarding the RFP or RFP process, this Contract, any Contractor and/or any subcontractor of the Contractor shall not be deemed a conflict of interest when the Commissioner is discharging his duties and responsibilities under law, including, but not limited, to the Commissioner of Administration's authority in procurement matters.
34. **Order of Precedence Clause:** In the event of any inconsistent or incompatible provisions in an agreement which resulted from an RFP, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal. *This Order of Precedence Clause applies only to contracts that resulted from an RFP.*

SIGNATURES TO FOLLOW ON THE NEXT PAGE

Attachment B
Statement of Work
Magellan Medicaid Administration, Inc.

GOAL/PURPOSE

The Contractor will provide technical support for the State Supplemental Rebate Program and Preferred Drug List Management Services, including but not limited to research into the relative safety, clinical efficacy and cost of products within defined therapeutic drug classes.

The Contractor will meet the Louisiana Medicaid Pharmacy Benefits Management Program's needs in regards to developing and maintaining a Preferred Drug List (PDL) for the Louisiana Medicaid Program; negotiating supplemental rebate agreements with pharmaceutical manufacturers through a multi-state pooling initiative; and utilizing the Contractor's services to assist in billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department.

The Contractor will provide the following services:

1. Manage all aspects of the supplemental rebate negotiation process;
2. Provide information and data management of the Preferred Drug List (PDL);
3. Provide technical support to the Pharmaceutical and Therapeutics Committee (P&T);
4. Provide clinical review of drugs/classes of drugs/ monographs/therapeutic class reviews used for recommendations;
5. Provide the Department with the financial and clinical analysis of P&T recommendations both before and after implementation;
6. Negotiate supplemental rebates agreements with pharmaceutical manufacturers through multi-state pooling contracts and potentially through a single state PDL. In these negotiations, the preferred drug list may be adjusted to include limited brand name drug products in each therapeutic category;
7. Assist in the process of billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department; and
8. Prepare clinical and cost data for performance indicators for performance based budgeting.

OUTCOME - # 1

Pharmaceutical and Therapeutics (P&T) Committee

The Contractor shall provide the following support for the Medicaid P&T Committee including but not limited to:

- Supply therapeutic class reviews for the Louisiana Medicaid Pharmaceutical and Therapeutics (P&T) Committee. All medications available in a therapeutic class will be reviewed for comparative efficacy, side effects, dosing, prescribing trends and indications.
- Provide cost analysis of the therapeutic class to the Committee under guidelines specified by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective.
- Review therapeutic classes no less than annually.

- Provide clinical pharmacists to review therapeutic classes including new medications or indications as approved by the Food and Drug Administration (FDA) and provide recommendations to the P&T Committee and the Department for appropriate changes to the PDL.
- Support, attend in person, and present clinical and cost information for all P&T Committee meetings each year.
- Assist the Department in developing the P & T Committee recommendations following the meeting to the Secretary of DHH.
- Develop clinically sound and cost-effective recommendations at the request of the Department to help the Department develop and manage the Preferred Drug List (PDL).
- Provide consultation including P&T Committee support as directed by the Department.

Performance Indicators

- Produce monographs, supplemental rebate negotiations, and savings analysis for each Therapeutic Class under review by the Committee no later than thirty (30) days prior to each P&T Committee meeting. Such reviews shall include summaries of the relative safety and efficacy of each drug within the therapeutic class and recommendations for the inclusion or exclusion of medications on the PDL within each class and relative cost sheets for each drug within the therapeutic class. Savings estimations shall be coded to protect the confidentiality of rebate information, in a format agreed to by the department and the Contractor. New drugs or drug indications will be reviewed when appropriate.
- Provide the P & T Committee recommendations report no later than three (3) business days following the meeting. Report shall consist of listing of preferred drugs and those requiring prior authorization.
- Provide record keeping (transcriber) during the meeting and assistance in writing the minutes 30 calendar days or more after the meeting. The contractor will secure and pay the transcriber, provide notes from the meeting regarding P&T members requests or other changes occurring during the meeting. The contractor will prepare completed minutes from the meeting 30 calendar days after the meeting.
- Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor.

Monitoring Plan

The contract monitor shall:

- Attend the P & T Committee meetings to ensure the Contractor attends and presents the information at the meeting.
- Ensure the monographs, cost analysis, P & T Committee recommendations, and meeting minutes information are provided to the Department within the required time frame.
- Review the monographs to ensure they are in a format agreed upon by the Department.

OUTCOME - # 2

Preferred Drug List (PDL)

The Contractor shall assist in the development and management of a Preferred Drug List (PDL) by providing the following including, but not limited to:

- The Contractor shall work in conjunction with the Department to develop a PDL that is

clinically sound, cost-effective, and minimally disruptive to Louisiana's Medicaid recipients and their providers.

- Review all medications available in a therapeutic class for efficacy, side effects, dosing, prescribing trends and indications, no less than annually. In addition, Contractor shall provide cost analysis of the therapeutic class to the P&T Committee as directed by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective. The P&T Committee will be provided relative cost information pursuant to guidelines approved by the Department.
- Provide cost analysis for all drugs which the Contractor provides a clinical monograph, in addition to any additional drug reviews from other evidence based services.
- The Contractor's staff shall be available to present its proposal to the P&T Committee, in person, during the regular meetings as directed by the Department.
- Provide clinical and cost support for all P&T Committee meetings. The Contractor will prepare informational packets for the P&T Committee members and Department staff prior to any scheduled meetings.
- Present clinical monographs to DHH at least thirty (30) days prior to the meeting date.
- Cost analysis must contain cost, rebate information, utilization data, projected market share shifts and savings for each therapeutic class or specific drugs to be reviewed.
- The cost sheets shall provide current utilization data and cost data in a format that will ensure rebate confidentiality.
- The list of drugs included in the cost analysis must be pre-approved by the Department.
- Provide assistance to the State in developing a single state PDL if requested by the Department.

Performance Indicators

- Present cost sheets (orally and in written format) to DHH at least thirty (30) days prior to the P&T meeting date.
- Provide to the Department all relevant documentation and data necessary to allow the Department's P&T Committee to conduct a minimum of forty (40) therapeutic class reviews per calendar year as agreed upon by both parties for two (2) or more P&T Committee meetings as requested by the Department per calendar year.
- Review new medications in therapeutic classes affected by the PDL as these new medications are approved by the FDA.
- Provide electronic files containing updates for the PDL to the Department within five (5) working days after the Department's approval of the PDL. Such files will be in a format agreed upon by the involved parties.
- Provide a progress report which includes meetings, classes reviewed, contracts with pharmaceutical manufacturers, etc. with accompanying timelines.
- Provide a single state PDL if requested by the Department, including but not limited to manually/electronically updating the PDL list 15 calendar days or less after P&T meeting.

Monitoring Plan

The contract monitor shall:

- Ensure cost sheets and the electronic files containing updates for the PDL are provided in a timely manner

- Review the cost sheets and electronic files to ensure the requested information is provided.

OUTCOME - # 3

Supplemental Rebates

The Contractor shall manage all identified aspects of the supplemental rebate process, including, but not limited to the following:

- Maintain existing supplemental rebate agreements and negotiates new or renegotiates renewed supplemental rebate agreements with pharmaceutical manufacturers.
- Negotiate supplemental rebate agreements with pharmaceutical manufacturers on behalf of the Department. The parties will mutually develop a time frame for negotiating State Supplemental Rebates with manufacturers within therapeutic classes.
- Determine the best methodology for calculating state supplemental rebates paid by pharmaceutical manufacturers and develop a template to be used in contract negotiations that will meet CMS approval. The Contractor's methodology is subject to the Department's approval and ongoing adaptation to the Department's needs.
- Negotiate State Supplemental Rebate Agreements for each Therapeutic Class selected for the PDL. In these negotiations, the preferred drug list may be adjusted to limit brand name drug products in each therapeutic category. Contractor shall renegotiate the agreements as necessary at such time as the Department prepares to review such Therapeutic Class, and in response to changes in market conditions (e.g. when the Food and Drug Administration approves a new agent within a Therapeutic Class).
- Obtain bids from pharmaceutical manufacturers in the form of executable supplemental rebate agreements. (Contractor and manufacturers are required to use the rebate agreement agreed on by the Department).
- Assist the Department in obtaining CMS approval of the State Supplemental Rebate Agreements. Contractor must submit all State Supplemental Rebate Agreements and the Preferred Drug List for each Therapeutic Class to the Department for approval.
- Present supplemental rebate agreement signed by the manufacturer to the Department thirty (30) days after the Department's approval of the PDL.
- Supplemental rebate agreements may be made between the State of Louisiana Department of Health and Hospitals and the pharmaceutical manufacturers in a format approved by the Department. One original copy of the supplemental rebate agreement with the original signatures shall be returned to the manufacturer.
- Maintain existing supplemental rebate agreements and/or negotiate new supplemental rebate agreements with pharmaceutical manufacturers, as directed by the Department.
- Negotiate supplemental rebate agreements for each therapeutic class of drugs as the P&T Committee prepares to review the class. Supplemental rebate agreements shall also be renegotiated at the request of the Department.
- Notify the Department before conducting a supplemental rebate agreement negotiation.
- Facilitate supplemental rebate agreement discussions and inquiries from manufacturers. The Contractor shall provide the Department with a Supplemental Rebate Bid Solicitation Report, when requested by the Department.
- Maintain the Department's State Supplemental Rebate Agreements separately from those of Contractor's other clients pursuant to LA R.S. 44:4(36).
- All negotiations with manufacturers and inquiries including but not limited to meetings, telephone calls, and mailings from manufacturers regarding State Supplemental Rebate Agreements may be handled by the Contractor in its home office(s).

Performance Indicators

- Produce a Monthly Contract Status Report showing the status of the State Supplemental Rebate Agreements with each manufacturer along with the manufacturer code, document and date, no later than fifteen (15) days after the end of each calendar month.
- Produce and facilitate the signing of supplemental rebate contracts with pharmaceutical manufacturers in a format agreed to by the Department and CMS. These contracts will be forwarded to the Department.
- Provide annual reports that detail the compliance of Medicaid providers to the PDL.
- Track the effective dates of all Supplemental Rebate Agreements and provide the Department with a LAM Billing File Report, which includes manufacturer, labeler codes & names, national drug code (NDC), status, QA, value, calculation, start and end Dates, Price, document number & TOP\$ tier, no later than fifteen (15) days after the end of each calendar month.
- Produce a Monthly TOP\$ Contract Status Report which includes Mfg., Number, Document, Status, Start Date, End Date, and Products no later than fifteen (15) days after the end of each calendar month.
- Produce an analysis of savings realized by the Pharmacy program as a result of the implementation of the PDL, in a format agreed to by the Department and the Contractor. The report shall detail the impact of the supplemental rebates on the Medicaid Pharmacy Benefits Management program in cost avoidance, supplemental rebate amounts, utilization variances and other agreed upon data within 30 days after receipt of the utilization data by the Department.
- Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor.
- Provide assurances that the Department's supplemental rebate agreements are kept confidential and held separately from its other clients.

Monitoring Plan

The contract monitor shall:

- Review the monthly Contract Status Reports and compare to Pharmacy's internal report
- Review the monthly LAM Billing File Report and reconcile with the Department's records.
- Review the Annual Savings Analysis report
- Ensure all the reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 4

Supplemental Rebate Administration

The Contractor shall assist the State in supplemental rebate administration in the following manner, including but not limited to:

- Provide the capability to negotiate in a multi-state purchasing pool.
- Implement multi-state pooling initiatives in accordance to guidelines established by CMS in SMDL #04-006. In addition, the Contractor must have clear understanding of federal and state statutes and regulations governing the Medicaid Program, Medicare Part D and state supplemental rebates.
- Assist the Department in dispute resolution activities with pharmaceutical manufacturers as they pertain to SURA calculations.

Performance Indicators.

- Contractor will provide the SURA data in a Department approved text file format.
- Contractor will provide the necessary documentation to the Department to support the supplemental rebate billings along with amounts to submit to the manufacturers at the NDC level in a format as specified by the Department and the rebate agreements.
- Provide a quarterly report listing all NDCs with zero ("0") SURAs.
- Provide an electronic file containing calculated supplemental unit rebate amounts (SURA) to the Department within ten (10) calendar days after receipt of the CMS National Rebate file. The parties will agree upon the format for submission of each SURA data.
- Submit a written report detailing the status of any disputes regarding SURA with each manufacturer no later than fifteen (15) days after the end of each month during the Term of this Agreement.

Monitoring Plan

The contract monitor shall

- Review documentation submitted to the Department by the Contractor to support the supplemental rebate billings along with amounts to submit to the manufacturers at the NDC level.
- Ensure the reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 5

Annual Analysis and Recommendation Report

Prepare a formal annual report outlining Louisiana Medicaid PDL Program Overview and Results. Provide a summary of the activities of the LDHH PDL for the State Fiscal Year. Assess and report the strengths and weaknesses of the PDL program complete with opportunities for future cost saving initiatives. All data in the report shall be referenced and include current trends and best practices in the pharmacy arena.

Performance Indicators

- A draft report to be submitted to the Department for review by January 15 and final report by February 15, annually.

Monitoring Plan

The contract monitor shall:

- Ensure the draft and final reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 6

Quality Assurance

The Contractor shall develop a Quality Assurance Plan that documents the process to be used in assuring the quality of services provided for each requirement. The plan shall be developed with the Department's Strategic Plan outcomes in mind. The Quality Assurance Plan will be used to monitor the quality, impact, and effectiveness of services provided under the contract.

Performance Indicators

- The Quality Assurance Plan shall be due ninety (90) days from the execution of the contract.

Monitoring Plan

- The Quality Assurance Plan will be reviewed annually to: a) see if the Contractor has met its goal for the year, b) update and/or set goals and milestones for the next year, c) analyze outcomes and effectiveness of services, and d) identify areas and opportunities for improvements.

OUTCOME - # 7

Ad Hoc Reports

Develop and deliver ad hoc reports as mutually agreed upon by the Contractor and the Department.

Performance Indicators

- Establish and maintain a database that has the capacity for data analysis, generation of ad hoc reports, both electronic and hard copy, and secure storage of supplemental drug rebate information as required under this contract.
- Developing recommendations and provide detailed strategies for maximizing the Department's annual savings resulting from the implementation of the PDL. These recommendations shall provide specific written suggestions for enhancing rebates and lowering net pharmacy costs through PDL products and other areas as requested by the Department.
- Upon reasonable notice, Contractor shall be available for appearances before the Louisiana Legislature or other interested parties, as requested by the Department.
- Provide sample reports as requested

Monitoring Plan

The contract monitor shall:

- Ensure the draft and final reports are submitted in a timely manner
- Review the documents to ensure the requested information is provided

OUTCOME - # 8

Transition Plan

The Contractor shall develop a Transition Plan to facilitate a smooth transition of the contracted functions from the Contractor at the end of the contract period, back to the Department and to another Contractor designated by the State. The plan should include, but not be limited to the following: 1) P & T Committee Meeting related information, and 2) Invoicing Information, and 3) Savings. The final Department approved plan shall be due no later than 10 days from execution of the new contract. The Department shall have autonomy over its PDL.

Performance Indicators

- The Transition Plan analyzing current PDL and PA processes and recommendations for the implementation and transition to a comprehensive PDL within ten (10) days following the selection as the Department's Contractor.

Monitoring Plan

The contract monitor shall:

- Ensure the report is submitted in a timely manner
- Review the documents to ensure the requested information is provided