

RFP # 1637-DLTC-SM

PHARMACY MANAGEMENT SERVICES for the Department of Health Services State Facilities

ADDITIONAL FINAL CLARIFICATION / QUESTIONS AND ANSWERS Regarding RFP Cost Proposals

Vendor Comment:

“According to the written instructions for the Cost Proposal chart for Central Wisconsin Center, Northern Wisconsin Center and Southern Wisconsin Center, Mendota Mental Health Institute and Winnebago Mental Health Institute it is clearly expressed in Section 1, questions 1 & 2 that the vendor has the option to bill “Medicaid (FFS)” for all drug and dispensing costs or bill the facility a “single daily rate per client that covers drug costs, dispensing services and other services.” Reading further in the instructions, Column D question 1 requires the vendor to provide a “proposal per diem.” First, these instructions counteract each other directly.”

DHS Response:

The instructions do not counteract each other. The heading for Column D clearly states that the proposed daily rate to be placed in this column is “beyond Medicaid FFS and other 3rd party billing”. Therefore, while the instructions for column D say that vendors are required to provide a proposed per diem rate for each group, this refers only to those groups that will not be billed through Medicaid FFS or other 3rd party billing.

Vendor Questions and DHS Response:

1. Q: Must the responding vendor propose a “Per diem” even if the responding vendor chooses to bill directly for FFS to either Medicare Part D or Medicaid?

A: No, the cost sheet template instructions clearly state that for Medicaid-eligible groups, vendors can choose between the two methods of 1) billing fee-for-service, or 2) billing the facility a single daily rate per client.

2. Q: How can the responding vendor propose a “Per diem” if insufficient information is in the data provided in the RFP? Such as, there are a large number of Medicare Part D PDP payers which represent individual resident/patients at CWC, NWC and SWC. Each PDP reimburses pharmacy vendors differently at varying rates and has unique formularies. Wisconsin Medicaid covers co-pays and non-covered medications only,

not exclusionary medications. Each facility also varies bulk OTC medications from patient specific packaged medications. Without exact prescriptions and patient PDP & formulary specificity, it is fiscally impossible to correctly calculate any possible per diem rate for RFP response.

A: Proposers were provided adequate information in order to submit proposals on a per diem basis, including the specific types and amounts of drugs utilized in the state facilities, and the estimated numbers of patients to be served. It is correct that these and other variable factors, including the varying reimbursement methods of different Medicare PDPs, and changes that occur in OTC medication usage, can influence cost. Many variables must be dealt with every day in the dynamic business of the state health care facilities, and pharmacy vendors serving these facilities will not be immune to these variables. Vendors can take the variables into account when proposing costs on a per diem basis.

3. Q: Can the RFP respondent choose to reply to the RFP for all resident/patients without proposing a "Per diem", and not be penalized?

A: No, the instructions are clear that if not billing on a fee-for-service basis, costs must be proposed on a per diem basis. If a vendor believes that billing Medicaid fee-for-service and other insurers (including Medicare) will cover the vendor's prescription and administrative costs sufficiently, the vendor can propose a \$0 per diem charge to the facility. All other costs beyond those for which reimbursement is proposed to be claimed by billing insurers, including MA fee-for-service, must be proposed on a per diem basis. Vendors that do not comply with this instruction will be penalized.

4. Q: Can the RFP respondent provide a "Per diem", for all resident/patients as a function of a formula tied to a drug price index such as AWP?

A: No.