



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION**

**REQUEST FOR INFORMATION  
FOR  
PHARMACY BENEFITS MANAGEMENT**

**RFI # 31865-00464  
DECEMBER 16, 2016**

**1. STATEMENT OF PURPOSE:**

The State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), issues this Request for Information ("RFI") for the purpose of gaining relevant information and marketplace input regarding the upcoming procurement to identify a vendor to serve as the TennCare and CoverRx Pharmacy Benefits Manager (PBM).

**2. BACKGROUND:**

The State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA) operates the Medicaid Program in Tennessee, known as "TennCare", pursuant to Title XIX of the Social Security Act and Section 1115 research and demonstration waivers granted to the State of Tennessee by the federal Centers for Medicare and Medicaid Services (CMS). TennCare is operated with a combination of State and Federal funds, has an annual budget of approximately \$11,000,000,000, and serves approximately 1,500,000 Tennessee residents. HCFA also operates the State of Tennessee pharmacy assistance program known as "CoverRx", that provides limited pharmacy assistance through retail or mail order to eligible participants enrolled in the State's Department of Mental Health and Substance Abuse Safety Net program and other eligible adults ages 19-64 needing access to prescription drugs for acute care and ongoing disease management. CoverRx is operated solely with State funds, has an annual budget of approximately \$10,000,000, and currently serves approximately 33,000 Tennessee residents.

HCFA currently utilizes a single pharmacy benefits manager (PBM) vendor to manage fee for service pharmacy benefits for both the TennCare Program (TennCare PBM) and the CoverRx Program (CoverRx PBM) pursuant to a single State contract (PBM Contract). HCFA anticipates undertaking a procurement for the purpose of obtaining one vendor to serve as TennCare PBM and CoverRx PBM when the current PBM Contract expires. For this reason, HCFA hereby solicits potential vendors for the purpose of developing strategy, building a database and preparing a PBM Request for Proposals.

**3. COMMUNICATIONS:**

3.1. Please submit your response to this RFI electronically to the Contact and email specified below:

Alma Chilton, Director of Contracts  
Department of Finance and Administration  
Division of Health Care Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243  
(615) 507-6383  
[Alma.chilton@tn.gov](mailto:Alma.chilton@tn.gov)

3.2. Please feel free to contact the Department of Finance and Administration, Division of Health Care Finance and Administration with any questions regarding this RFI. The main point of contact will be:

Alma Chilton, Director of Contracts  
Department of Finance and Administration  
Division of Health Care Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243  
(615) 507-6383  
[Alma.chilton@tn.gov](mailto:Alma.chilton@tn.gov)

3.3. Please reference RFI # 31865-00464 with all communications to this RFI.

**4. RFI SCHEDULE OF EVENTS:**

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFI Issued		December 16, 2016
2.	RFI Response Deadline		January 23, 2017

**5. GENERAL INFORMATION:**

5.1. Please note that responding to this RFI is not a prerequisite for responding to any future solicitations related to this project and a response to this RFI will not create any contract rights. Responses to this RFI will become property of the State.

5.2. The information gathered during this RFI is part of an ongoing procurement. In order to prevent an unfair advantage among potential respondents, the RFI responses will not be available until after the completion of evaluation of any responses, proposals, or bids

resulting from a Request for Qualifications, Request for Proposals, Invitation to Bid or other procurement method. In the event that the state chooses not to go further in the procurement process and responses are never evaluated, the responses to the procurement including the responses to the RFI, will be considered confidential by the State.

5.3. The State will not pay for any costs associated with responding to this RFI.

**6. INFORMATIONAL FORMS:**

The State is requesting the following information from all interested parties. Please fill out the following forms:

<b>RFI # 31865-00464</b>	
<b>TECHNICAL INFORMATIONAL FORM</b>	
1.	RESPONDENT LEGAL ENTITY NAME:
2.	RESPONDENT CONTACT PERSON: Name, Title: Address: Phone Number: Email:
3.	<b>BRIEF DESCRIPTION OF EXPERIENCE PROVIDING SIMILAR SCOPE OF SERVICES/PRODUCTS</b>

<b>COST INFORMATIONAL FORM</b>	
1.	Describe what pricing units you typically utilize for similar services or goods (e.g., per hour, each, etc.):
2.	Describe the typical price range for similar services or goods

<b>ADDITIONAL CONSIDERATIONS</b>	
1.	In responding to HCFA's specific questions set forth below, Responders are encouraged to

provide whatever information and/or comments they feel are appropriate and pertinent, including but not limited to, such topics as important key PBM performance indicators, potential problems/risks, estimated time frames, interest in responding to future PBM solicitation(s), cost ranges, pricing arrangements, market information/capabilities, any other important considerations Respondents wish to share with HCFA.

2. Although the current TennCare PBM provides some specialty drugs to TennCare participants through its pharmacy provider network, the TennCare Program currently does not have a specialty pharmacy provider network. HCFA is evaluating the benefits and drawbacks of adding a specialty pharmacy provider network to the TennCare Program and continuing to use a single PBM vendor to handle the current PBM services and any specialty pharmacy benefit services HCFA decides to provide.

- a. What are the pros and cons of using one vendor for both types of pharmacy benefit services?
- b. If a single PBM vendor is used for all TennCare Program pharmacy services, what specialty pharmacy components should be included in the State contract?

3. HCFA is currently evaluating Medication Therapy Management (MTM) services and whether these services should be included as a component of the TennCare Program.

- a. What do you consider to be the pros and cons of using one PBM vendor to handle both TennCare specialty pharmacy services and TennCare MTM Services?
- b. What are the pros and cons of using a single PBM vendor to handle all of the following: CoverRx PBM services, TennCare PBM services, TennCare specialty pharmacy services and TennCare MTM Services?
- c. How should MTM pharmacy services be modeled if they are linked to a patient centered medical home (PCMH MTM Services)?

4. HCFA is interested in risk-based approaches that maximize PBM contractor accountability and properly incentivize high performance.

- a. What published policy briefs, reports, or resources might be helpful for HCFA to review and consider in this regard?
- b. Additionally, what risk-based approaches have you observed in other procurements (public and private) that you might recommend for consideration here?
- c. In your experience, what level of PBM risk is most effective at optimizing overall plan performance?
- d. Please provide as much detail as you are able and offer complete citations to allow us to easily access any publicly-available information.

5. HCFA's PBM is currently responsible for creating, managing and maintaining a State-wide PBM provider network to handle TennCare and CoverRx pharmacy services for the entire state.

- a. What innovative ideas or models are you aware of for alternative pharmacy provider

networks?

b. What published policy briefs, reports, or resources might be helpful for HCFA to review and consider in this regard? Additionally, what other approaches have you observed in other procurements (public and private) that you might recommend for consideration here?

c. Please provide as much detail as you are able and offer complete citations to allow us to easily access any publicly-available information.

6. The current TennCare Program PBM vendor is considered to be a health maintenance organization (HMO) by the State of Tennessee and is referred to as a "Managed Care Organization" (MCO). How would your responses to any of the above questions change if HCFA decided to use an administrative services organization (ASO) PBM model for the TennCare and CoverRx Programs?

7. HCFA seeks to include detailed language in the new PBM contract requiring the new PBM to engage fully in the transition to its successor PBM at the end of the new PBM contract period.

a. Please provide your comments on the specific duties the outgoing PBM will be required to do to accomplish a smooth transition to the incoming PBM.

b. What recommendations or suggestions could you offer regarding the transition of services from the outgoing PBM to the incoming PBM that HCFA should consider for inclusion in the contract?