



STATE OF TENNESSEE
 TENNESSEE STATE VETERANS' HOMES BOARD

**REQUEST FOR PROPOSALS # 32399-00117-EO
 AMENDMENT # TWO
 FOR PHARMACY SERVICES**

DATE: **March 29, 2016**

RFI # 32399-00117-EO IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE	
1. RFP Issued		March 4, 2016	Confirmed
2. Disability Accommodation Request Deadline	2:00 p.m.	March 9, 2016	Confirmed
3. Notice of Intent to Respond Deadline	2:00 p.m.	March 10, 2016	Confirmed
4. Written "Questions & Comments" Deadline	2:00 p.m.	March 15, 2016	Confirmed
5. State Response to Written "Questions & Comments"		March 29, 2016	Updated
6. Response Deadline	2:00 p.m.	April 5, 2016	Updated
7. State Completion of Technical Response Evaluations		April 12, 2016	Updated
8. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 13, 2016	Updated
9. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	April 14, 2016	Updated
10. End of Open File Period		April 21, 2016	Updated
11. State sends contract to Contractor for signature		April 22, 2016	Updated
12. Contractor Signature Deadline	2:00 p.m.	April 28, 2016	Updated

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1 Do all facilities have the same functionality or do some of the facilities have special services that they provide – ex. Different acuity levels, Memory Care, ICF, Rehab, etc.	All four TSVHB facilities have the same functionality.
2 How many proposed facilities will be operational within 3 years? 4 years?, 5years? We ask this because of the potential plans to open up a facility in Cleveland and Memphis.	The TSVHB's plans to open additional facilities depend on meeting Veterans Administration construction and matching fund requirements and the availability of federal funds for the project.
3 Will P&T Committee Meetings be unique to each facility, or will one committee meet to discuss all facilities?	Unique to each facility with Executive staff oversight.
4 How are your medications currently packaged – ex. Med Strip Packaging, Blister Cards, Bottles, other? Do you foresee a desire to change this type of packaging in the near future?	Med strip packaging. No.
5 Can you provide a breakdown (percentages) of payer sources for the Contractor – TSVH (Med A, VA connected), Med D, TennCare/Medicaid, Private, etc.	Medicaid 18.5% VA & Medicare A 51% Other 30.5% (all other payor sources). Of the 458 patients that were billed for something on the February 2016 pharmacy bills, 233 had Medicare D.
6 How many deliveries are currently scheduled to each facility? Can you provide the actual number of deliveries made to each facility for the last 3 months?	The current vendor provides daily scheduled deliveries to all four facilities 6 days per week, Monday through Saturday. In addition, for the 3 month period beginning December 1, 2015 and ending February 29, 2016, there were the following backup pharmacy deliveries per facility : Murfreesboro 183, Knoxville 79, Clarksville 5, and none for Humboldt. For the same 3 month period, there were the following stat deliveries per facility: Humboldt 30, Murfreesboro 26, Knoxville 9, and Clarksville 5.
7 How often is Nursing Med Pass observation scheduled?	Quarterly.
8 Can you describe your current After Hours process for acquiring emergency medications?	Order faxed to pharmacy. Pharmacist verifies order and uploads to access out of EMed Stat. If the medication is not available in EMed Stat then get from back up pharmacy or stat delivery from pharmacy.
9 Do you have a current Pharmacy Formulary, and if so can you provide a copy of the Formulary?	No.
10 How do you currently manage prescriptions dispensed to residents by the VA pharmacy? Would the Contract pharmacy be responsible	Pharmacy nurse at facility orders from VA pharmacy. Contract pharmacy would provide all antibiotics, first 14 days of new medications, any

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for managing any aspects of care for these residents – ex. Emergency medications, MAR's/TAR's, etc.	emergency meds, MARS/TARS. Meds provided by the VA would need to be on the MAR and PO with a notation – “Do not dispense; VA supplies.”
11 Can you describe the current process for credits on medications that have been dispensed to the facility and/or the expectations moving forward?	We receive credits only on meds that are in original packaging, unopened, and within 60 days of dispense date. Medications are credited in two ways: Contract Pharmacy representative lists medications on 'Medications returned for credit' form, packages and returns meds and credit is issued on next statement. Facility representative reviews billing each month, sends Contract pharmacy a 'Pharmacy Dispute Form' with any discrepancies, pharmacy reviews and issues credit on next statement or explains why no credit will be issued and returns form to facility.
12 What is the payment structure/formula for the current contracted Pharmacy?	Consulting Fee per licensed bed per month Medical Records Fee per Licensed Bed per month Computerized Unit Dose Delivery System Fee per licensed bed per month Brand: AWP – AWP Discount + Dispensing Fee Generic: AWP – AWP Discount + Dispensing Fee
13 Section A.7 indicates the Contract Pharmacy shall not provide Over The Counter medications. Is this intended to indicate that under no circumstances should the Contract Pharmacy dispense an OTC even if an order is received or it is for a First Dose, etc.?	Yes.
14 What level of Nursing Support will be expected from the Contract Pharmacy to assist with Medication Administration?	Compliance with 30 day billing cycle.
15 What is the current process for managing orders that do not have an approved Insurance authorization at the time the medication is needed? Is a Therapeutic Exchange an option, and if not is the Pharmacy responsible for dispensing the medication regardless of this approval status?	A therapeutic interchange is an option. If it is a high cost med, an email is sent to management for approval. If on the weekend/holiday, usually only a small quantity of med is sent until we can get with MD for possible change in med or approval to send.
16 Is the Contract Pharmacy responsible for providing “Specialty” medications to these residents, and if so is this handled any differently from other medications? “Specialty” medications are generally defined as products used to treat chronic, high-cost, or rare diseases such as oncology or Hepatitis C and can be injectable, infusible, oral, or inhaled medications. Specialty pharmaceuticals tend to be more complex to maintain, administer, and monitor than traditional drugs; therefore they require closer supervision and monitoring	Yes, unless provided by another source such as the VA. Except as noted in the response to Question 15 above, these medications would be handled like any other medication.

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of a patient's overall therapy, and are higher cost than traditional products (\$10,000-\$100,000) annually and target small numbers of patients (5,000-10,000).	
17 The RFP indicates that invoices must be received within 30 days of medications being dispensed. It is a common practice in LTC pharmacy to bill Post-consumption, but with that set up the pharmacy couldn't meet this requirement unless invoices are created for time frames less than 30 days supply. Would TSVHB consider monthly post-consumption billing if offered?	No. The invoice for the previous month must be received within 3 working days. For example, the invoice for medication dispensed from January 1-31 must be received by February 3.
18 What are the payment terms for the facility – 30 days, 60 days?	45 days
19 The RFP indicates a Maximum Facility Liability of \$7.2 million. Is that amount for a 36 month term, and does that only include charges that the facility will be responsible to pay?	The maximum liability is for the 36 month contract term across all facilities and only includes charges that the TSVHB is responsible to pay.
20 Will the Contract Pharmacy be responsible for contracting with Point Click Care (or your preferred EMR), and purchasing the related software and hardware needs for this system under the Technology/Equipment fee of the Cost Proposal?	Yes.
21 The RFP indicates that the Contract Pharmacy will be responsible for certain supplies. Will this include Enteral Nutrition formula and supplies, and/or DME?	No.
22 In RFP Attachment 6.2., Section B.17.: What does completed projects refer to? Would getting three current customers to fill out the Reference Questionnaire meet the requirements?	In the context of this RFP, completed projects refers to pharmacy services provided under a completed contract or to a former customer. If there are no completed projects, reference questionnaires completed for three (3) accounts in which the Respondent has maintained an ongoing contractual relationship providing the subject service for a period of at least one (1) year would be acceptable.
23 In RFP Attachment 6.2., B.18., is the last sentence in B.18. "has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default." supposed to be letter (d)?	No.
24 RFP Attachment 6.2, C.9. states: Describe the monitoring programs and processes Respondent will use in the provision of pharmacy services to the TSVH facilities.	This question relates to monitoring of pharmaceutical usage at the TSVHB facilities, including physician ordering practices and nursing medication administration patterns, to detect potential deviations from best practice or other

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Please explain what you mean by this question.	issues.
<p>25 RFP Attachment 6.2, C.23.states: Identify any temporary employees Respondent will use to provide services under this Contract.</p> <p>Please explain what you mean by this question particularly in regards to temporary employees.</p>	<p>This question relates to continuity of services and staffing. For purposes of this question, temporary employees would include staff provided by temporary staffing agencies and employees hired for a limited period when the Respondent expects there will be no permanent need for the employee. Temporary employees may be full-time or part-time, and hired to fill short-term position that is not expected to last more than one year, meet an employment need that is scheduled to be terminated within one or more years for reasons as the completion of a specific project or peak workload, or fill positions that involve intermittent (irregular) or seasonal (recurring annually) work schedules.</p>
<p>26 RFP Attachment 6.3., Cost Proposal: Please explain why there is both number 2 (Medical Records Service per Active Patient Day) and number 3 (Technology/Equipment fee) in the Cost Proposal. Typically there is only one or the other. We assume it is because you will need paper MARs temporarily while transitioning to eMAR. However you are currently printing your MARs yourselves at each location. Are you going to continue to do that while transitioning to eMAR or would you prefer that your pharmacy provider print them for you during that time?</p>	<p>Cost item 3 was intended to cover equipment fees maintenance, and repairs, including any equipment leases, and software subscription and interface fees. Cost item 2 was intended to cover medical record preparation and maintenance costs not included in pharmacy consulting services or otherwise built into the cost of the pharmaceuticals. The TSVHs will continue to print paper MARs during the transition to eMAR.</p>
<p>27 There is no OTC pricing?</p>	<p>No. Over-the-counter medications are specifically excluded from purchase under the contract. See section A.7. of pro forma contract.</p>
<p>28 If we are the successful bidder, will the State agree to the following changes in the insurance requirements described in Section D.31 of the Pro Forma Contract?</p> <p>Paragraph 3 of Section D.31. provides:</p> <p>If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to</p>	

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<p>self-insure workers' compensation. All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.</p> <p>We propose to delete the last sentence above: "The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy." We require all subcontractors that may perform services related to the contract to maintain insurance consistent with the contract specifications. We cannot provide subcontractor insurance information to a party not included in the subcontracting agreement.</p> <p>The next proposed change is in Paragraph 4 of Section D.32. which provides as follows:</p> <p style="padding-left: 40px;">The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) ("Professional Liability") insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.</p> <p>We propose to delete the word "all" from the last sentence above and insert in its place "the General Liability, Auto Liability and Workers Compensation" so that, as modified, the sentence will read as follows: "Also, the General Liability, Auto Liability and Workers Compensation policies shall contain an endorsement for a waiver of subrogation in favor of the State.</p> <p>The next proposed change is in Paragraph 5 of Section D.32. which provides as follows:</p> <p style="padding-left: 40px;">The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has</p>	<p>This change would be acceptable. All that we need is for the winning vendor to provide the State with a certified statement on letterhead that they have vetted or verified that all of their subcontractors that will be performing services for the State have and will maintain insurance coverage consistent with the contract.</p> <p>This change would be acceptable.</p>

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<p>assumed under this Contract including any indemnification or hold harmless requirements.</p> <p>We propose to delete the words “approved by” from the second sentence above and insert in its place “disclosed to” so that the sentence, as modified, would read: “Any deductible over fifty thousand dollars (\$50,000) must be disclosed to the State.</p> <p>The next proposed change is in Paragraph 6 of Section D.32. which provides as follows:</p> <p>All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.</p> <p>We propose to add the words “with review and approval of Contractor” at the end of the second sentence so that the sentence, as modified, would read: “The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work with review and approval of Contractor.”</p> <p>The next proposed change is in Paragraph 7.a.1) of Section D.32. which provides as follows:</p> <p>The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual</p>	<p>This change would be acceptable.</p> <p>This change would be acceptable provided that the deductible is not substantially more than \$50,000 and the State is satisfied that the vendor has the financial ability to withstand losses and easily cover the deductible if there happens to be a claim.</p>

