

HIV Medication Dispensing RFP
2021-OHPT-001
Vendor Question Response 2
No Further Questions will be Accepted

Question Clarification for Responses 1 Q#23:

Original Question 23 and IDPH Response

23. D.2.17 - What is the expectation of the State when it comes to payments (i.e. Is it only based on a Dispense/transaction Fee or is a replenishment program be expected)? Is this regardless of if the drug is dispensed from retail or specialty mail?

- **IDPH Response:** The Department payment structure includes transactional dispense fee payments to vendor as well as the reimbursement for insurance deductible and copayment costs that are listed in the Illinois HIV Medication Dispensing Fee Structure.

Second Question requesting clarification

In reference to question response #23 – D.2.17 - What is the expectation of the State when it comes to payments (i.e. Is it only based on a Dispense/transaction Fee or is a replenishment program be expected)? Is this regardless of if the drug is dispensed from retail or specialty mail?

- **IDPH Response:** The Department payment structure includes transactional dispense fee payments to the vendor as well as the reimbursement for insurance deductible and copayment costs that are listed in the Illinois HIV Medication Dispensing Fee Structure.

We are unclear on the payment structure that has been outlined.

- Specifically, apart from a Dispensing Fee, how would the awarded vendor be compensated for each dispensed drug without knowing what the insurance deductible or co-pay would be?
- Can the State provide a set dollar value that would be paid on each drug? If so, what is the expected drug payment structure and replenishment process if any for each dispensing channel (Retail/Mail Order)?

OR

- Is the state looking for the awarded vendor to submit a -AWP pricing for each drug? If then please confirm this would not require any replenishment at the Retail or Specialty location?

IDPH Clarification Response

1. Specifically, apart from a Dispensing Fee, how would the awarded vendor be compensated for each dispensed drug without knowing what the insurance deductible or co-pay would be?

- **IDPH Response:** The mail order and pharmacy network compensation structure are as follows:

i. **Mail Order:**

1. Contracted pharmacy will dispense approved medications to both insured and uninsured clients that wish for their medications to be shipped to their home.

a. **Uninsured clients:** Vendor will dispense patient's medication and seek replenishment of those drugs by the Illinois State Master Contract Drug Wholesaler who will replenish with 340B drugs that are at the Department's negotiated price point.

i. The mail order vendor will then charge the Department the negotiated dispense fee for those drugs dispensed for uninsured clients.

ii. **Note** that the dispense fee is to be an all-encompassing fee for the transaction.

b. **Insured clients:** Vendor will dispense approved medications, bill the primary/secondary insurance of the client, and then bill the Department for the remaining out-of-pocket cost for the client. There will be no dispense fee charged to the Department for those insured clients as the pharmacy will collect the negotiated spread agreed upon by the primary/secondary insurer upon post adjudication.

ii. **Networked Pharmacy:**

1. The network pharmacy will dispense the approved medication and coordinate payment of a client's primary/secondary prescription insurance. Upon post adjudication with client's insurance carrier, the vendor will bill the Department for the client's final out-of-pocket deductibles and/or copays plus the agreed upon transaction fee.

a. There will be no replenishment model deployed with the network pharmacy arm of the contract.

2. Can the State provide a set dollar value that would be paid on each drug? If so, what is the expected drug payment structure and replenishment process if any for each dispensing channel (Retail/Mail Order)?

- **IDPH Response:** Replenishment process will only occur with the mail order site for those drugs dispensed for uninsured clients only. The mail order site will only bill the Department the negotiated dispense fee that is all-encompassing. The price of the drugs for those insured clients should be at the vendor's best negotiated rate. The 340B negotiated rate is proprietary information and will be the exclusive information of the Department only.

3. Is the state looking for the awarded vendor to submit a -AWP pricing for each drug? If then please confirm this would not require any replenishment at the Retail or Specialty location?

- a. **IDPH Response:** The -AWP does not factor into the billing structure for this contract as the Department will only pay the dispense fee for uninsured clients through mail order, and for those insured, only the client's out-of-pocket costs will be covered.
- b. The 340B negotiated rate by the Department is proprietary information and is not released to the public. The fee structure table outlines the annual cost the Department pays for insurance deductibles and copayments.