

KERN COUNTY
HEALTH & WELLNESS

REQUEST FOR PROPOSAL

to Provide Pharmacy Benefits Management Services

DUE Friday, September 27, 2024

TIME Before 11:00 a.m.

Please submit all Proposals to:

Kern County General Services Division
1115 Truxtun Ave., 3rd Floor
Bakersfield, CA 93301
Telephone (661) 868-3000

KERN COUNTY

HEALTH & WELLNESS

Request for Proposal to Provide Pharmacy Benefits Management Services and/or Point Solution Vendor to assist with Pharmacy Benefits Management Services for Chronic Condition Management

Kern County is seeking a qualified Pharmacy Benefits Management (PBM) and/or Point Solution Vendor to assist with Chronic Condition Management to provide prescription drug benefits for the County’s self-funded employer group health plans. The effective date is April 1, 2025, with no changes to current benefits (not including formulary), unless specifically directed by the County:

Proposers are specifically directed not to contact any County personnel, other than the Contact Person indicated below, for any purpose related to this RFP. **Unauthorized contact of any County personnel may be cause for rejection of a vendor’s proposal.** All inquiries concerning this RFP should be directed to the following Contact Person:

Ana Carmichael
Kern County Health & Wellness
1115 Truxtun Avenue, 1st Floor
Bakersfield, CA 93301
Telephone (661) 868-3293
carmichaelana@kerncounty.com

Envelopes containing the Proposals are to be marked:

PROPOSAL: “Pharmacy Benefit Management”

Include six hard copies of the proposal and three on thumb drives.

Projected Timetable

The following dates are set forth for information and planning purposes only. These dates may be changed by County upon notice to prospective proposers:

Issuance Date..... Monday August 12, 2024
“Intent to Bid Form” Due..... Friday August 16, 2024
Pre-Proposal Meeting.....Tuesday August 27, 2024
Proposal Due Date.....Friday September 27, 2024
Proposal Due Time..... Before 11:00 a.m PST.

Postmark date will not constitute timely delivery. Responses received after the above time **will not** be considered. Proposers are solely responsible for ensuring timely receipt of their Proposals. If hand delivery is planned to our offices, please be aware that delays through building security protocol should be planned for by the proposer since timely receipt of all Proposals is required.

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I. GENERAL INFORMATION

A. **Project Background and Description**

Kern County offers self-insured, employer group health plans collectively known as the Kern Legacy Health Plans to active and retired employees under the age of 65 who are eligible to access Kern County’s health benefits programs.

The County has approximately 14,893 members covered under the employee plan and 747 under age 65 retirees enrolled in the County’s health plans. A contract(s) for pharmacy benefits management services will be awarded to the qualified vendor(s) who demonstrates the ability to provide comprehensive pharmacy benefits management service and or point solution vendor, **no sooner than April 1, 2025 and no later than January 1, 2026**, and who interfaces well with the County Administrative Office – Kern County Health & Wellness.

- **The self-funded Kern Legacy Health Plans: Kern Legacy Classic Choice, Kern Legacy Max Choice, Kern Legacy Network Plus, and Kern Legacy Share Select retail and mail order prescription drug benefits are currently administered by WellDyne PBM.** The plan uses WellDyne PBM’s national network of retail pharmacies along with a CVS 90 day network. WellDyne is also providing specialty medications through an exclusive specialty pharmacy and a mandatory diabetic management program, WellManaged Diabetes. Kern County is exploring the opportunity of breaking out the WellManaged Diabetes program to be administered through a point solution vendor who has considerable experience with chronic disease management.

July 2024 Enrollment

Kern Legacy Classic Choice		
	Subscriber Only	Total Members
Active Employees	2,568	6,919
Under 65 Retirees	39	41

Kern Legacy Share Select		
	Subscriber Only	Total Members
Active Employees	393	606
Under 65 Retirees	70	81

Kern Legacy Network Plus		
	Subscriber Only	Total Members
Active Employees	2,726	5,482

Under 65 Retirees	260	282
Kern Legacy Max Choice		
	Subscriber Only	Total Members
Active Employees	819	1,886
Under 65 Retirees	289	343

Prescription Copays*

Kern Legacy Classic Choice Plan – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$15	\$15	\$15
Non-Preferred Brand	\$30	\$30	\$30
Kern Legacy Classic Choice Plan – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$25	\$25	\$25
Non-Preferred Brand	\$40	\$40	\$40

Kern Legacy Share Select (after combined deductible) – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50

Kern Legacy Share Select (after combined deductible) – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50

Kern Legacy Network Plus – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$30	\$15	\$15
Non-Preferred Brand	\$60	\$35	\$35

Kern Legacy Network Plus – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)

Generic	\$5	\$0	\$0
Preferred Brand	\$45	\$20	\$20
Non-Preferred Brand	\$65	\$40	\$40
Kern Legacy Max Choice (after \$100 Rx deductible) – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50
Kern Legacy Max Choice (After \$100 Rx deductible) – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50

* Subject to change at the direction of the County

Specialty Medications: Only Kern Legacy Share Select and Kern Legacy Max Choice have a separate Specialty Copayment of \$50 generic, \$90 preferred brand, and \$120 non-preferred brand for up to a 30 day supply.

Kern Legacy Share Select: Generic Preventive Medications are deductible waived and have a \$10 copay.

Claims Experience

- Net annualized PBM claims 183,983
- Total annualized Rx cost of \$29,123,510
- Annualized specialized drug spending \$13,564,215
- Generic dispensing rate 87.7%

Current Plan Design and Benefit Deviations

Proposers may submit managed formulary without the need to mirror or match the existing plan formularies; however, proposers should bid with the broadest formulary or preferred drug listing available. If multiple formularies or network options are available, proposers may submit costs for multiple formulary and network options, but must also include costs for the broadest, most expansive options with minimal exclusions offered by the proposer. A disruption analysis must be completed, and a summary of the disruptions should be included, along with member specific information (how many members on each disrupted drug). Copays are subject to change at any time, at the direction of the County. Additional

details on the current benefits are listed in Exhibit “D.” **Proposers must be able to duplicate the benefits listed in Exhibit “D.”**

Qualifications

Qualified proposers are those that have demonstrated past experience in the required services and can demonstrate their ability to provide the services described in this RFP. It is expected that a proposer will have the necessary professional and/or paraprofessional staff to administer the program(s) effectively in compliance with all applicable laws, regulations, and County policies.

The submission of a proposal will be considered a representation that:

1. The proposer has carefully vetted all conditions which affect or may affect, at some future date, the performance of services covered by the proposal;
2. The proposer is fully informed concerning the conditions to be encountered and the quantity and quality of work to be performed; and
3. The proposer is familiar with all federal and state laws and County ordinances which may apply to the services provides and the persons employed to complete the services.

B. Services Required of Successful Proposer

The County has developed the attached **Exhibit “A”** which fully describes the scope of work and services required, deliverables, benchmark requirements, and our anticipated timeline for start and completion of this project.

Proposers will be expected to review Exhibit “A” to fully understand the expected outcome, what the desired goals and objectives are, what specific problems and challenges need to be solved in order to achieve the required end result.

C. Services Provided by the County

The County will provide a Contact Person as a primary contact, who will arrange for staff assistance by other County staff as may be required. County will also provide any necessary information as may be available. County will also be available to meet and discuss project requirements and developments at key times in the process.

D. Selection Process

1. All Proposals received by the specified deadline will be reviewed by a County Evaluation Committee. After the initial scoring, the Evaluation Committee may select those proposers deemed most qualified for this project for further evaluation. Interviews of these selected proposers may be conducted as part of the final selection process. Proposers are advised that the County, at its option, may award a contract strictly on the basis of the initial Proposals, and not create a short list of Proposals for further consideration. The proposer selected by the Evaluation Committee will be recommended to the Board of Supervisors for this project, but the Board is not bound to accept the recommendation or award the project to the recommended proposer.

2. If one or more of the proposers is a local vendor as defined herein, said proposer(s) shall be entitled to a local vendor preference as herein described, provided: (i) said proposer(s) achieved a score of at least seventy percent (70%) during the initial scoring phase by the Evaluation Committee; and (ii) they were included in the short list of proposers for further consideration by the Evaluation Committee, if the Evaluation Committee elected to create a short list of Proposals.

All local vendors meeting the above stated criteria shall have their final evaluation score increased by 5% for purposes of determining the Evaluation Committee's final selection for recommendation to the Board of Supervisors.

A local vendor is defined as a proposer who:

- (a) Has had a fixed office or distribution point located in having a street address within the county for at least six (6) months immediately prior to the issuance of the request for competitive bids by the purchasing agent.

- (b) Holds any required business license by the county or a city within the county; and

- (c) Employs at least one (1) full-time or two (2) part-time employees whose primary residence is located within Kern County, or if the business has no employees shall be at least fifty percent (50%) owned by one or more persons whose primary residence is located within Kern County.

All local vendors with a Local Employee Ratio of 50% or higher will receive an additional 2% score increase, and those with a ratio of 100% will receive a 3% increase to their score. (Rev 11/19)

- (d) Will credit all sales taxes generated pursuant to the contract awarded as a result of the application of this local vendor preference to its business location in Kern County.

This local vendor preference shall not apply to any contracts funded in whole or in part with federal or state funds which do not allow the use of local preferences, or any other contracts which are statutorily or otherwise precluded from the use of local preferences during the selection process.

At-Risk Employer Preference

Per County Ordinance 2.38.132, the At-Risk Employer preference will be implemented. This ordinance provides a preference to local vendors who are also at-risk employers. If there is a tie for the low bid and both bidders are local vendors but one of the bidders is also an at-risk employer, the contract shall be awarded to the low bidder that is also the at-risk employer. In the event local vendors are allowed to submit a new bid equal to or less than the out of county low bidder, and there is a tie for the low bid and one of the responsible low bidders is also an at-risk employer, the local vendor who is also an at-risk employer will be awarded the contract

To qualify as an “At-Risk Employer,” Vendor shall state below that you have provided gainful employment to “at-risk” individuals residing in Kern County for at least one (1) year prior to submitting this bid; and you continue to provide gainful employment to ‘at-risk individuals. “At-Risk Individuals” are defined in County Ordinance 2.38.132 as those individuals who have been incarcerated within the last five (5) years and/or have been convicted of a misdemeanor or felony within the last five (5) years and/or are youth in foster care.

Vendor has employed at least one (1) at-risk individual residing in the Kern County for at least one year prior to submitting a bid for this project and continues to provide gainful employment to at-risk individuals residing in the Kern County.

(State qualifying information with returned RFP response.)

3. The following is a list of general criteria that may be used by the Evaluation Committee in determining its recommendation to the Board of Supervisors. **Please note that the Evaluation Committee may consider any information they deem relevant in determining a recommendation to the Board of Supervisors, and may give each of the criteria considered as little or as much weight as they consider appropriate.**
 - a. Proposer’s understanding of the RFP requirements and end result.
 - i. Does proposal show comprehension of the scope of services and match Exhibit A requirements?
 - ii. Does proposal address all requested objectives & deliverables?
 - iii. Does proposal offer specific solutions that address problems & our desired objectives?
 - b. Proposer’s proposed approach to tasks.
 - i. Does the approach show innovative or advanced techniques
 - ii. Does the approach make sense for this project?

- iii. Does the proposal clearly define deliverables? Are they measurable and realistic?
 - iv. Are there any apparent discrepancies or omissions in proposal?
 - v. Is the proposed transition or milestone implementation plans feasible?
 - c. Proposer's experience in similar projects.
 - i. Does proposer have a proven track record with similar projects?
 - ii. Has proposer completed relevant or similar projects? What was the length of time performing services for these relevant projects?
 - iii. What is the overall exposure/experience of the proposer with government sector projects?
 - iv. Does proposal provided types, number & duration of current and previous contracts?
 - d. Fee OR proposed rates.
 - i. Has Proposer revealed and described all costs? Are there any hidden costs?
 - ii. How does the proposer implement cost control techniques? Are there any escalation clauses included?
 - iii. Does proposer list prior contracts that were conducted on time and within budget?
 - iv. Cost to the County:
 - Estimated savings from prescription drug discounts
 - Other proposed management of plan costs (excluding benefit changes)
 - e. Estimated completion date(s) or required start date
 - i. Does proposal describe transition start up tasks & time and/or milestone steps to negotiate contract, set up staffing/equipment requirements and begin services?
 - ii. Does proposal address any time frames mandated by law?
 - iii. Does proposal address the length of time to complete one-time services?
 - iv. Does proposal describe in detail each project phase and the time needed for completion?
 - v. Does the proposal benchmark critical events in the completion of the project?
 - vi. Proposer's ability to complete and implement a fully operational medical and prescription drug benefit plan prior to February 1, 2025 (with substantial work completed by December 1, 2024).
 - f. Client references.
 - i. Are proposer's referenced projects similar in size & scope?
 - ii. Do references report any negative aspects with their experience with proposer?

- iii. Do references report proposer's capabilities in problem solving during project?
 - iv. Do references indicate successful billing/invoicing processes?
 - v. How did the reference award previous business to the proposer?
 - g. Qualifications of proposer's staff for the project.
 - i. Does proposer offer a combination of experience, education, licensing, certification & background undertaking with similar projects relevant to our needs?
 - ii. Is the technical experience of proposer's personnel specific to the needs detailed in Exhibit A?
 - iii. Does proposer's response address productivity and utilization of staff/management assignments?
 - h. Any other factors the Evaluation Committee deems relevant.
 - i. Does proposal offer technology advances included in work approach?
 - ii. How feasible is the transition plan/milestone steps of proposer's plan?
 - iii. Other
- 4. The County reserves the right to reject any and all Proposals and to waive informalities and irregularities in any Proposals received. Absence of required information may render a Proposal non-responsive, in the sole discretion of the County, resulting in rejection of the Proposal.
- 5. The County may, during the evaluation process, request from any proposer additional information which the County deems necessary to determine the proposer's ability to perform the required services. If such information is requested, the Proposer shall be permitted five (5) working days to submit the information requested.
- 6. An error in the Proposal may cause the rejection of that Proposal; however, the County may, in its sole discretion, retain the Proposal and make any corrections it deems appropriate. In determining if a correction will be made, the County will consider the conformance of the Proposal to the format and content required by the RFP, and any unusual complexity of the format and content required by the RFP. If the proposer's intent is clearly established based on review of the complete Proposal submittal, the County may, at its sole option, correct an error based on that established content. The County may also correct obvious clerical errors. The County may also request clarification from a proposer on any item in a Proposal that County believes to be in error, and make corrections accordingly.
- 7. The County reserves the right to select the Proposal which in its sole judgment best meets the needs of the County. The recommendation by the Evaluation Committee, and the final selection of a proposer by the Board of Supervisors, shall be based on any information and criteria the Evaluation Committee and

Board consider relevant, which may include criteria not listed in paragraph 2 above. **The lowest proposed cost is *not* the sole criterion for recommending contract award.**

8. All proposers responding to this RFP will be notified of their selection or non-selection in writing.
 - a. All proposers shall have seven (7) days from the date of the notice to submit any additional information **not previously submitted** to the County representative for final consideration.
 - b. Proposers may request a debriefing during the same seven (7) day time period. No extension will be given.
The County representative will notify firms of the date the Evaluation Committee's recommendation is placed on the Board of Supervisors' agenda.
9. The County representative will notify proposers in writing of the date the Department's recommendation is placed on the Board of Supervisors' agenda.
10. County employees will not participate in the selection process when those employees have a relationship with a person or business entity submitting a Proposal which would subject those employees to the prohibition of Section 87100 of the Government Code. Any person or business entity submitting a Proposal who has such a relationship with a County employee who may be involved in the selection process shall advise the County of the name of the County employee in the Proposal.
11. Any person or business entity which engages in practices which might result in unlawful activity relating to the selection process including, but no limited to, kickbacks or other unlawful consideration paid to County employees, will be disqualified from the selection process.
12. The process, procedures and evaluation criteria used by the County in developing and issuing this RFP and evaluating the Proposals received for purposes of making a recommendation to the Board of Supervisors shall be determined in the sole discretion of the County. Potential proposers shall have no rights whatsoever regarding the processes and procedures used by the County relating to this RFP or the manner in which a proposer is selected by the Board of Supervisors, provided their decisions are not arbitrary and capricious, and there is some reasonable basis for the selection(s) made.

E. Solicitation Caveat

The issuance of this solicitation does not constitute an award commitment on the part of the County and the County shall not pay for costs incurred in the preparation or submission of Proposals. **The County reserves the right to reject any or all**

Proposals or portions thereof if the County determines that it is in the best interest of the County to do so.

Failure to furnish all information requested or to follow the format requested herein, or the submission of false information, may disqualify the proposer, in the sole discretion of the County. The County may waive **any** deviation in a Proposal. The County's waiver of a deviation shall in no way modify the RFP requirements, nor excuse the successful proposer from full compliance with any resultant agreement requirements or obligations.

F. Time

Time and the time limits stated in this RFP are of the essence of this Request for Proposal.

G. Standard County Master Terms & Conditions

No agreement with the County is in effect until a contract has been signed by both parties. Attached to this RFP as **Exhibit "B"** are the County's standard Master Terms and Conditions, which are in substantially the form the successful proposer will be expected to sign. The final agreement may include the contents of the RFP, any addenda to this RFP, portions of the successful proposer's Proposal, and any other modifications determined by the County to be necessary prior to its execution by the parties.

Until such time as the Evaluation Committee has completed its deliberative process and the matter has been set for consideration before the Board of Supervisors, the agreement and all documents and materials relating thereto, the negotiation and execution thereof, including, without limitation, the existence of the Agreement and the negotiations taking place between the parties, shall be confidential.

The standard County master terms and conditions included in this RFP is for informational purposes and should not be returned with a Proposal; however, the Proposal shall include a statement that the proposer has reviewed the standard County master terms and conditions and either i) will agree to and accept the master terms and conditions contained therein if selected, or ii) indicate those specific provisions of the standard County master terms and conditions to which the proposer takes exception and why. The raising of significant exceptions in a Proposal, as determined in the sole discretion of the County, may be cause for rejection of the proposer's Proposal.

The selected proposer will be required to execute an agreement with the County for the services requested within 30 days of the award. If agreement on the terms and conditions of the contract that are acceptable to the County including, but not limited to, compensation, cannot be achieved within that timeframe, the County

reserves the right to continue negotiations or to award the bid to another proposer and begin negotiations with that proposer.

Proposers must identify and provide contact information in their Proposal of the individual within their organization who is authorized to negotiate the terms and conditions of any agreement between the proposer and County.

H. Insurance Requirements

Vendor, in order to protect County and its board members, officials, agents, officers, and employees against all claims and liability for death, injury, loss and damage as a result of Vendor's actions in connection with the performance of Vendor's obligations, as required in this Agreement, shall secure and maintain insurance as described below.

Vendor shall not perform any work under this Agreement until Vendor has obtained all insurance required under this section and the required certificates of insurance and all required endorsements have been filed with the County's authorized insurance representative.

Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of the insurance requirements set forth herein. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request, Vendor shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter(s) and their company to the coverage, limits and termination provisions shown thereon.

The Vendor shall promptly deliver to the County's authorized insurance representative a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term specified herein. Such certificates and endorsements shall be delivered to the County's authorized insurance representative prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof if so requested. Vendor shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Vendor or County as an additional insured.

- a. **Workers' Compensation and Employers Liability Insurance Requirement:**
In the event Vendor has employees who may perform any services pursuant to this Agreement, Vendor shall submit written proof that Vendor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

Vendor shall require any sub-contractors to provide workers' compensation for all of the subcontractors' employees, unless the sub-contractors'

employees are covered by the insurance afforded by Vendor. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Vendor shall provide and/or require each sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.

Vendor shall also maintain employer's liability insurance with limits of one million dollars (\$1,000,000) for bodily injury or disease.

b. Liability Insurance Requirements:

(1) Vendor shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:

(a) Commercial General Liability Insurance including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement with the County), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Vendor's performance of work under this Agreement. The Commercial General Liability insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Vendor shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.

(b) Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering any vehicle and/or all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement with coverage equal to the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence.

(c) Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with coverage equal to the policy limits, which shall not be less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.

(2) The Commercial General Liability and Automobile liability Insurance required in this sub-paragraph b. shall include an endorsement naming the County and County's board members, officials, officers, agents and employees as additional insureds for liability arising out of this

Agreement and any operations related thereto. Said endorsement shall be provided using one of the following three options: (i) on ISO form CG 20 10 11 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms which provide coverage at least equal to or better than form CG 20 10 11 85.

- (3) Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to County and must be approved by the County Risk Manager.
 - (4) If any of the insurance coverages required under this Agreement is written on a claims-made basis, Vendor, at Vendor's option, shall either (i) maintain said coverage for at least three (3) years following the termination of this Agreement with coverage extending back to the effective date of this Agreement; (ii) purchase an extended reporting period of not less than three (3) years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.
- c. Cancellation of Insurance -- The above stated insurance coverages required to be maintained by Vendor shall be maintained until the completion of all of Vendor's obligations under this Agreement except as otherwise indicated herein. Each insurance policy supplied by the Vendor shall not be suspended, voided, cancelled or reduced in coverage or in limits except after ten (10) days written notice by Vendor in the case of non-payment of premiums, or thirty (30) days written notice in all other cases. This notice requirement does not waive the insurance requirements stated herein. Vendor shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
 - d. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. Any exception to these requirements must be approved by the County Risk Manager.
 - e. If Vendor is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Vendor shall provide coverage equivalent to the insurance coverages and endorsements required above. The County will not accept such coverage unless the County determines, in its sole discretion and by written acceptance, that the coverage proposed to be provided by Vendor is equivalent to the above-required coverages.
 - f. All insurance afforded by Vendor pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by the County. An endorsement shall be provided on all policies, except professional liability/errors and omissions, which shall waive any right of recovery (waiver

of subrogation) against the County. A waiver of right of recovery (waiver of subrogation) is only required on Workers' Compensation policies when a Vendor's personnel deliver or perform services for the County while on County property.

- g. Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Vendor for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the County from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.
- h. Failure by Vendor to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Vendor. County, at its sole option, may terminate this Agreement and obtain damages from Vendor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Vendor, County shall deduct from sums due to Vendor any premiums and associated costs advanced or paid by County for such insurance. If the balance of monies obligated to Vendor pursuant to this Agreement are insufficient to reimburse County for the premiums and any associated costs, Vendor agrees to reimburse County for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by County to take this alternative action shall not relieve Vendor of its obligation to obtain and maintain the insurance coverages required by this Agreement.

I. Modifications to Scope of Work

In the event that sufficient funds do not become available to complete all the services identified in this RFP, the scope of services may be amended, as determined in the sole discretion of the County. The County may also, from time-to-time, request changes in and/or additions to the services to be provided by the successful proposer. Such changes, including any increase or decrease in compensation, which are mutually agreed upon by and between the County and the successful proposer, shall be incorporated into the contract prior to execution of the contract, and by written amendments thereto after execution.

J. News Releases

News releases pertaining to any award resulting from this RFP may not be made without prior written approval of Deputy Chief Human Resources Officer.

K. Compensation

Compensation shall be agreed upon by County and the successful proposer to be included in the final agreement for services. Vendor confirms that they do NOT receive direct compensation from any consulting firms that may cause bias.

L. Statutes and Rules

The terms and conditions of this RFP, and the resulting consulting services and activities performed by the successful proposer, shall conform to all applicable statutes, rules and regulations of the federal government, the state of California and Kern County.

M. Background Review

The County reserves the right to conduct a background inquiry of each proposer that may include collection of appropriate criminal history information, contractual and business associations and practices, employment histories, reputation in the business community and financial condition. By submitting a Proposal to the County the proposer consents to such an inquiry and agrees to make available to the County such books and records the County deems necessary to conduct the review.

N. Organizational Conflict of Interest

Contractor warrants, to the best of its knowledge, that neither Contractor nor its officers, agents or employees presently has any consulting or contractual arrangement with any firm or organization that would give rise to an organizational conflict of interest with respect to the work to be performed under this Agreement. Neither Contractor nor its officers, agents or employees shall enter into any contractual arrangement that would give rise to any potential conflict of interest, without first obtaining County's prior written approval before entering the agreement. If any organizational conflict of interest is discovered by Contractor relating to this Agreement, Contractor shall immediately notify County, and attempt to present a suitable mitigation plan. County may, at its sole discretion, terminate this agreement in the event that Contractor has any actual or potential organizational conflict of interest. As used in this paragraph, "**Organization conflict of interest**" means any relationship whereby Contractor has present or planned interests related to the work to be performed under this Agreement which: (1) May diminish its capacity to give impartial, technically sound, objective assistance and advice or may otherwise result in a biased work product, or (2) may result in its being given an unfair advantage.

O. Free Speech Policy

Kern County remains committed to creating a professional environment in which the First Amendment Rights of all County employees, employment applicants, and contractors are protected.

It is a violation of the Constitutions of the United States and California for the County to unlawfully discriminate against County employees, employment applicants, or contractors because they exercised their First Amendment Rights.

Every County employee, and other person acting on behalf of the County, including members of the Board of Supervisors, is prohibited from unlawfully discriminating against, harassing, or retaliating against an employee, employment applicant, or contractor because the employee, employment applicant, or contractor exercised their First Amendment Rights, or because they filed a complaint or participated in an investigation under this Free Speech Policy.

All County employees and other persons acting on behalf of the County, including members of the Board of Supervisors, shall uphold and abide by this Free Speech Policy by cooperating fully in any investigation of a complaint of unlawful discrimination, harassment, or retaliation under this Free Speech Policy.

Persons in positions of authority, including managers and supervisors, shall act immediately on potential violations of this Free Speech Policy. They are responsible for knowing and enforcing this Policy and creating and maintaining a workplace free of discrimination, harassment, and retaliation, and should address potential problems before they become serious.

This Free Speech Policy applies at every level of the County and to every aspect of the workplace environment, including but not limited to, County events that occur outside of the physical workplace.

This Free Speech Policy shall be posted on the Kern County websites and in designated physical locations and shall be attached to all County-issued Requests for Proposals (RFPs) and other solicitations for contract or grant proposals, County contracting forms and templates, and relevant notices to employees, employment applicants, and contractors.

Examples of unlawful discrimination:

- A department head recommends that a contract not be renewed because the contractor is politically active, regardless of their political position.

- A supervisor declines to recommend a supervisee for a promotion or assigns a supervisee to less favorable job duties or to a less favorable location, because of the supervisee's union activity.
- A manager gives a supervisee one or more poor job evaluations because the manager does not agree with their supervisee's political views.
- A County decision-maker declines to award a contract to provide social services to a particular community-based organization because that organization actively campaigns for a particular bill or social movement.
- A County decision maker stops communicating with a potential contractor about a contract because the contractor has threatened to file lawsuit against the County in an unrelated case.

The California and U.S. Constitutions also provide specific First Amendment protection for County elected officials and other persons acting on behalf of the County, including volunteers and interns. This policy does not address such persons' rights.

Complaint and Investigation Procedure

Each employee, employment applicant, or contractor who believes that they have experienced unlawful discrimination or harassment described in this Policy may file a written complaint setting forth the specific facts and evidence supporting the complaint with the County Complaint Coordinator (see below). Such complaints shall be promptly forwarded to the Free Speech Retained Expert (see below). The complainant shall provide all documentary evidence, names of potential witnesses, and any other information believed by the complainant to be relevant to the complaint.

The County Complaint Coordinator shall initiate a formal investigation of the allegations in the complaint, interview all witnesses to the incident giving rise to the complaint (including the complainant and the person(s) against whom the complaint is directed), and issue written findings as to the merits of the complaint and the remedies that should be implemented to resolve the complaint under existing County ordinances, policies, and procedures. The County Complaint Coordinator shall have a period of not more than seventy-five (75) business days from receipt of the complaint to conduct the investigation and to issue appropriate draft findings and recommended remedies. The seventy-five (75) day time period may be extended due to the unavailability of a material witness, or with the written agreement of the complainant.

The County Complaint Coordinator shall provide the draft findings and recommended remedies to the Free Speech Retained Expert for review and approval. The County Complaint Coordinator shall also provide the Free Speech Retained Expert with a copy of the complaint, all information and documentary evidence provided by the

complainant, all witness interview materials and documents provided by witnesses, and all information and documentary evidence developed by the County Complaint Coordinator in conducting the investigation.

In the event that the Free Speech Retained Expert does not approve the County Complaint Coordinator's draft findings and recommended remedies, the Free Speech Retained Expert shall prepare a written explanation of the reasons for non-approval. The Free Speech Retained Expert and County Complaint Coordinator shall meet and confer to resolve any disagreement or deficiencies, and both parties shall state their positions in writing. The County Complaint Coordinator shall then take all necessary steps to correct any deficiencies and re-submit the draft findings and recommended remedies to the Free Speech Retained Expert for review and approval.

In the case of any complaints in which there is an appearance of bias, conflict of interest, or insufficient independence with regard to the handling of the complaint by the County Complaint Coordinator, the Backup Complaint Coordinator (see below) shall conduct the investigation, and the Free Speech Retained Expert shall review and approve in the same manner as any investigation conducted by the County Complaint Coordinator.

The Free Speech Retained Expert shall conduct the investigation if both the Complaint Coordinator and the Backup Complaint Coordinator are conflicted. The County shall implement the Free Speech Retained Expert's findings and remedies.

Department heads shall be responsible for ensuring that all new employees and contract staff in their department receive a copy of this policy and sign an acknowledgment which shall be retained in the employee's personnel file (or a similar file for contract staff). In addition, department heads shall ensure that, on an annual basis, each employee in their department receives a copy of this policy and that an acknowledgment of receipt is contained in each employee's personnel file.

Department heads may establish departmental policies and internal complaint procedures provided that those policies and procedures are consistent with this Policy.

Nothing in this Policy shall abrogate any legal evidentiary standards in a court of law.

Complaints Within the Scope of Civil Service Commission Rule 1810.00, et seq.

The Kem County Rules of the Civil Service Commission ("Civil Service Rules") provide a voluntary complaint procedure for some complaints that fall within the scope of this Policy. These Civil Service Rules apply to civil service employees or applicants for civil service employment complaining of unlawful discrimination, harassment, or retaliation based on religious, union, or political affiliation, or due to their participation in a government investigation.

A complainant whose complaint falls within the scope of both the Civil Service Rules and this Policy may choose to file their complaint using the procedure described in the Civil Service Rules, commencing at section 1820.00, or using the procedure otherwise described in this Policy, but not both. If a complainant invokes both procedures for the same complaint, the complainant shall be required to make a written election of which procedure they wish to have apply.

The Free Speech Retained Expert will review all such complaints consistent with the time limitations, procedure, and appellate rights set forth in Civil Service Rule 1820.00. The Free Speech Retained Expert will review and approve findings of fact and recommended remedies issued by the Equal Employment Opportunity Officer.

Under Civil Service Rule 1830.00-1830.02, either the complainant or the County may request a hearing before the Civil Service Commission. The Free Speech Retained Expert does not review the Civil Service Commission's decision for approval but will provide a report to the County and complainant regarding any comments, concerns, or recommendations related to the Commission's final decision, within sixty (60) to one hundred twenty (120) days of that decision.

County Complaint Coordinator: Sarah Gutierrez, Director of Diversity, Equity and Inclusion; (661) 868-3919; gutierrezsa@kerncounty.com

Backup County Complaint Coordinator: Mercedes Perez, Senior Human Resources Specialist; (661) 868-3915; perezmer@kerncounty.com

Free Speech Retained Expert: Barry McDonald, (310) 506-4668; barry.mcdonald@pepperdine.edu

II. PROPOSAL INFORMATION AND REQUIREMENTS

A. General Instructions

To receive consideration, Proposals shall be made in accordance with the following general instructions:

1. The completed Proposal shall be without alterations or erasures. Errors may be crossed out and corrections printed in ink or typed adjacent, and must be initialed in ink by an authorized representative of the proposer.
2. No oral, telephonic, telegraphic, e-mailed or faxed Proposals will be considered.
3. The submission of a Proposal shall be an indication that the proposer has investigated and satisfied him/herself as to the selection process to be used by the County, the conditions to be encountered, the character, quality and scope of the work to be performed, and the requirements of the County.
4. All Proposals shall remain firm for one hundred and eighty (180) days from the Proposal submission deadline.

B. Business Address

Proposers shall furnish their business street address. Any communications directed either to the address so given, or to the address listed on the sealed Proposal container, and deposited in the U.S. Postal Service by Certified Mail, shall constitute a legal service thereof upon the proposer.

C. Corrections and Addenda

If a proposer discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the proposer shall immediately notify the Contact Person of such error in writing and request clarification or modification of the document. Modifications will be made by addenda as indicated below to all parties in receipt of this RFP.

If a proposer fails to notify the Contact Person prior to the date fixed for submission of Proposals of a known error in the RFP, or an error that reasonably should have been known, the proposer shall submit a Proposal at their own risk, and if the proposer is awarded a contract they shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.

Addenda issued by the County interpreting or changing any of the items in this RFP, including all modifications thereof, shall be incorporated in the Proposal. The

proposer shall sign and date the Addenda Cover Sheet and submit same with the Proposal (or deliver them to Ana Carmichael, Senior Health Plan Specialist - Kern County Health & Wellness, 1115 Truxtun Avenue, 1st Floor, Bakersfield CA 93301, if the proposer has previously submitted a Proposal to the department).

Any oral communication by the County's designated Contact Person or any other County staff member concerning this RFP is not binding on the County and shall in no way modify this RFP or the obligations of the County or any proposers.

D. Proposal Format and Contents

For ease of review and to facilitate evaluation, the Proposals for this project should be organized and presented in the order requested as follows:

1. Cover Page:

Include a letter of introduction signed by an authorized representative of the firm containing the following language:

- The undersigned certifies that all statements in the Proposal are true and correct; and that any material false statement contained in this proposal shall entitle the County to pursue any and all remedies authorized by law and/or declare any contract made as a result thereof, to be void.
- Indicate the name of the firm and the RFP project title clearly on the cover sheet.

2. Corporate/Agency Profile:

Provide specific information concerning the firm in this section, including all of the following:

- The legal name, address and telephone number of your company
- The type of entity (sole proprietorship, partnership, or corporation and whether public or private).
- Whether you are a local Kern County vendor as defined in section I.D.2. of this RFP (provide the street address of the local office).
- The name and telephone number of the person(s) in your company authorized to execute the proposed contract.

If two or more firms are involved in a joint venture or association, the Proposal(s) should clearly delineate the respective areas of authority and responsibility of each party.

All parties signing the Agreement with the County shall be individually liable for the completion of the entire project even when the areas of responsibility under the terms of the joint venture or association are limited.

3. Qualifications and Experience:

This section is designed to establish the proposer as an entity with the ability and experience to operate the program, or provide the services, as specified in the RFP.

Provide specific information in this section concerning the proposer's experience and qualifications (skill set, contractor licensing, certifications etc.) in the services specified in this RFP, preferably within the State of California. Include all of the following:

- The number of employees involved in providing services
- Number of years providing services
- Financial statements (balance sheet and Dun & Bradstreet credit rating acceptable)
- Examples of completed projects
- Skill sets
- Contractor licensing, if applicable
- Certifications, if applicable

Documentation of Satisfactory Past Performance/References

Provide a minimum of three (3) reference letters for similar services rendered (must be within the last twelve (12) months on the reference company's letterhead). Each reference shall include a current point of contact and a phone number. Each reference letter must have all of the following information:

- Date of the original contract;
- End date of the contract;
- Services rendered;
- Names, addresses, email and telephone numbers of contact persons within client agencies for whom the services have been provided.

Provide a list of all clients with current contact information including email, to which you have provided similar services over the last two years, but are not currently working for. Please indicate why you are not currently providing services to said client(s).

4. Credentials/Resumes:

Of critical importance is the composition of the team proposed to provide services on this project. Credentials and resumes of the person(s) responsible for administering or providing the services must be provided.

Include a statement of qualifications and resumes/backgrounds of key personnel assigned to the project, including training certifications of professional and non-professional personnel.

Proposer shall specifically provide the following information on all management, supervisory and other key employees who will be providing service:

- a. Name, address and phone number
- b. Description of education
- c. General experience
- d. Experience or education related to the RFP project
- e. Letters of reference, if available

List consultant firms, if any, that you plan to use for this project and their relevant experience.

5. Subcontractors:

County will consider proposed agreements that involve the proposer's use of subcontractors. List all subcontractors you plan to use for this project and their relevant experience. Such subcontractors will be acting as independent contractors and not as agents of the County.

6. Project Approach, Work Schedule, Transition Plan and Technology Requirements:

- a. Provide a detailed description of the methodology proposed to perform all required services.
- b. The project approach should include specific details with regard to how and what services, training, installation, etc. are included in your response to the County.
- c. Describe approach and methodology that will be used to address obstructions, constraints or roadblocks in the submitted proposal.
- d. List, and describe actions that will be done in order to comply and meet required benchmarks, performance standards and quality assurance.
- e. Detail and describe security clearance and information technology requirements.
- f. If applicable, detailed description of proposed utilization of Business and/or Work Environment provided by the County.
- g. Include any additional information and options that you feel may be advantageous to the County. Label options clearly and specify all costs and fees associated with each option.

- h. Include specific details with regard to a work schedule/transition plan which contains an aggressive schedule that will complete, or start up, the project **before October 11, 2024** (with substantial work completed by December 1, 2024). This schedule should contain specific milestones and dates of completion which will be used to set schedules.
- i. Also identify the extent of County personnel involvement deemed necessary, including key decision points at each stage of the project.
- j. Identify deliverables that will be produced in order to receive payment. This may include deliverables with milestone dates or time periods that are required to be completed.
- k. Specify all software and computer technology that is anticipated to be used in rendering the services. If the Proposal includes the purchase of any software by the County, provide a copy of any software license agreements that the County would be required to execute.
- l. Describe how each of the County's desired outcomes will be met.
- m. Do not include brochures and advertisements in your Proposal unless the content they provide is identified and included specifically in your description of the methodology and/or approach to the services you are proposing to provide the County.

7. Cost of Service:

The Proposal shall clearly state all of the costs associated with the project, broken down by category of products and services, and all on-going costs for recommended/required products/services such as maintenance.

As a general rule, the County prefers a set price or hourly rate for the entire term of any contract. Price escalators such as the CPI may also have a detrimental impact on the proposer's score determined by the Evaluation Committee and are disfavored by County.

The project costs should include all expenses that will be charged to the County including but not limited to costs for shipping, insurance, communications, documentation reproduction, travel, taxes, etc. **Failure not to clearly identify all costs associated with the Proposal may be cause for rejection of the Proposer's Proposal.**

8. Insurance:

The selected proposer will be required to obtain, as a condition of the award of a contract, and the Proposal shall state that the proposer will obtain the insurance as required in the attached Exhibit "B".

All insurance shall be issued consistent with the final Agreement with County. Insurance coverage at a minimum must be provided by a company

or companies listed in the current "Best's Key Rating Guide" publication with a minimum of A-, VII rating; or in special circumstances, as pre-approved by the Risk Management Division of the Office of County Counsel. The selected proposer shall file with the Contact Person a Certificate(s) of Insurance stating the required coverages are in effect.

9. Additional Information:

Include any other information you believe to be pertinent but not required.

10. Confidential Information:

Proposers are cautioned that because the County is a public entity, materials designated as "confidential" may nevertheless be subject to disclosure. Proposers are advised that the County does not wish to receive confidential or proprietary information and that proposers are not to supply such information except when it is absolutely necessary.

IF CONFIDENTIAL INFORMATION IS SUBMITTED:

a. ALL CONFIDENTIAL INFORMATION MUST BE STAMPED WITH A "CONFIDENTIAL" WATERMARK AND PLACED IN A SEPARATE TABBED SECTION #9 OF THE RFP MARKED "CONFIDENTIAL".

b. Any documents labeled "CONFIDENTIAL" shall include the following statement signed and placed on the first page of the CONFIDENTIAL material:

“ _____ (legal name of proposer) shall indemnify, defend and hold harmless Kern County, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) arising out of, concerning or in any way involving any materials or information in this Proposal that (legal name of proposer) has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.”

By: _____ Date: _____

Confidential information as discussed in this section II.D.10 may include:

Technical Information

- (i) Any trade secret, know-how, invention, software program, application, documentation, schematic, procedure, contract, information, knowledge, data, process, technique, design, drawing, program, formula or test data, work in progress, engineering, manufacturing, marketing, financial, sales, supplier, customer, employee, investor, or business information; and
- (ii) Any non-public business information, including, without limitation, personnel data; correspondence with governmental agencies; historical customer information and data; historical cost information such as budgets and operating expenses and capital costs; and projected capital additions and operating cost information.

Financial Information

- (i) Financial statements, business plans, strategic plans, proprietary market information, analyses, compilations and any other strategic, competitively sensitive or proprietary information shared between the parties as a result of the discussions contemplated by this Agreement; and
- (ii) The Proposal and agreement and all documents and materials relating thereto and to the negotiation and execution thereof, including, without limitation, the existence of an agreement and the fact of negotiations taking place between the parties.

Business Development-Related Information

- (i) All trade secrets or proprietary information protected as intellectual property that relates to the business of the proposer and is not generally available to the public, or generally known in the industry;
- (ii) Customers' identities and requirements, customer lists, suppliers' identities and products, pricing information, product price discount information, manufacturing processes and procedures, new product research, financial information not generally available to the public; and
- (iii) Any techniques, know how, processes or combinations thereof, or compilations of information, records and specifications, utilized or owned by the proposer regarding business development, marketing, pricing, business methods, strategies, financial or other analyses, policies or business opportunities.

E. Post RFP Issuance

1. Questions

- a. Before pre-proposal meeting: Questions may be submitted by email or facsimile prior to the pre-proposal meeting.
- b. After pre-proposal meeting: Following the pre-proposal meeting, an addendum will be issued with written responses to those questions where the answers may change the scope of services detailed in Exhibit "A." Questions with content about the RFP process, where to mail response or other information not related to Exhibit "A" may be answered by the Project Facilitator as they are received.
- c. Subsequent to addenda: Questions received subsequent to the issuance of addenda and within the last week prior to the due date and time may be answered. The County will accommodate these last minute questions, but will not guarantee that they will be answered if not submitted timely.

2. Pre-Proposal Meeting

A Pre-Proposal meeting has been set for Tuesday, August 27, 2024, at 1:00 p.m. The meeting will be held via Teams. Please contact Ana Carmichael at carmichaelana@kerncounty.com for an invite to this meeting. The purpose of the conference is to permit proposers an opportunity to ask questions and/or provide feedback to County staff on specifics of this RFP. Preliminary answers may be given at the Pre-Proposal meeting. However, these responses are only preliminary and will not be final until they are provided as an addendum to the RFP. While some input obtained at the meeting may be incorporated into the RFP via addenda, remarks and explanations made at the meeting shall not change the provisions of the final RFP. **All interested parties who may have questions are urged to attend.**

F. Proposal Submission

The proposer shall submit six (6) written copies of the Proposal and three (3) copies on thumb drive. The thumb drive (virus free) must be a standard Microsoft Windows (Word, Adobe, Excel, etc.) compatible format readable by the County; using word processing software that is Windows based, preferably Microsoft Word. Proposer agrees to be fully responsible for any damage caused by any materials submitted to County.

Please submit all Proposals to:

Kern County General Services Division
REQUEST FOR PROPOSAL
1115 Truxtun Ave., 3rd Floor
Bakersfield, CA 93301
Telephone (661) 868-3000

Proposals may be delivered in person, by courier service or by mail to the address indicated above. **ALL PROPOSALS MUST BE SEALED AND RECEIVED BEFORE 11:00 A.M. PST on Friday, September 27, 2024**, at the above office and address. Proposals submitted after the above deadline will not be accepted. It is strongly suggested that any proposers intending to hand deliver a proposal on the last day for submission arrive at the General Services Division third floor main lobby at least ten (10) minutes prior to the proposal receipt deadline to receive a “test” time stamp to validate the official current time. The time stamp clock in the main lobby of General Services will be the official time. Any Proposal received at or after 11:00 a.m. PST will be returned unopened.

Only one (1) Proposal may be submitted from each proposer. For purposes of this RFP, a proposer is defined to include a parent corporation of the proposer and any other subsidiary of that parent corporation. If a proposer submits more than one (1) Proposal, all Proposals from that proposer shall be rejected.

RFP Proposals are not publicly opened.

G. Withdrawal and Submission of Modified Proposal

A proposer may withdraw a Proposal at any time prior to the submission deadline by submitting a written notification of withdrawal signed by the proposer or his/her authorized agent. The proposer must, in person, retrieve the entire sealed submission package. Another Proposal may be submitted prior to the deadline. A Proposal may not be changed after the designated deadline for submission of Proposals.

H. Disposition of Proposals and Proprietary Data

All materials submitted in response to this RFP become the property of the County. Any and all Proposals received by the County shall be subject to public disclosure and inspection, except to the extent the proposer designates trade secrets or other proprietary data to be confidential, after the Evaluation Committee has completed its deliberative process and either the proposer has been informed that they are not the vendor selected by the Evaluation Committee for recommendation to the Board of Supervisors, or the matter has been set for consideration before the Board of Supervisors, whichever comes first.

Material designated as proprietary or confidential shall accompany the Proposal and each page shall be clearly marked and readily separable from the Proposal in order to facilitate public inspection of the non-confidential portion of the Proposal. Prices, makes and models or catalog numbers of the items offered, deliverables, and terms of payment shall be publicly available regardless of any designation to the contrary. The County will endeavor to restrict distribution of material

designated as confidential or proprietary only to those individuals involved in the review and analysis of the Proposals.

Exhibit A

I. BACKGROUND

The following is a brief summary including details that generally describe the services the County is currently receiving including data and usages in order to provide additional context.

Kern County offers self-insured, employer group health plans collectively known as the Kern Legacy Health Plans to active and retired employees under the age of 65 who are eligible to access the County's health benefits programs. The Kern Legacy Health Plans currently provide medical and prescription drug coverage to approximately 14,893 participants enrolled under the Active Employee groups and 747 participants under the Retired Employee groups.

Kern County is seeking a vendor to provide pharmacy benefit management services to participants of the Kern Legacy Health Plans. The County desires to contract with a qualified, experienced Pharmacy Benefit Manager (PBM) capable of providing comprehensive pharmacy benefit management services to these self-funded health plans, with prior experience directly related to the services requested in this RFP. Kern County Health & Wellness provides administrative support to the Kern Legacy Health Plans and is coordinating this RFP.

The County offers the following Kern Legacy Health Plan options for active employees, retired employees under the age of 65, COBRA participants, and their eligible dependents:

- **The self-funded Kern Legacy Health Plans: Kern Legacy Classic Choice, Kern Legacy Max Choice, Kern Legacy Network Plus, and Kern Legacy Share Select retail and mail order prescription drug benefits are currently administered by WellDyne PBM.** The plan uses WellDyne PBM's national network of retail pharmacies along with a CVS 90 day network. WellDyne is also providing specialty medications through an exclusive specialty pharmacy and a mandatory diabetic management program, WellManaged Diabetes. Kern County is exploring the opportunity of breaking out the WellManaged Diabetes program to be administered through a point solution vendor who has considerable experience with chronic disease management.

July 2024 Enrollment

Kern Legacy Classic Choice		
	Subscriber Only	Total Members
Active Employees	2,568	6,919
Under 65 Retirees	39	41

Kern Legacy Share Select		
	Subscriber Only	Total Members
Active Employees	393	606
Under 65 Retirees	70	81

Kern Legacy Network Plus		
	Subscriber Only	Total Members
Active Employees	2,726	5,482
Under 65 Retirees	260	282

Kern Legacy Max Choice		
	Subscriber Only	Total Members
Active Employees	819	1,886
Under 65 Retirees	289	343

Prescription Copays*

Kern Legacy Classic Choice Plan – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$15	\$15	\$15
Non-Preferred Brand	\$30	\$30	\$30

Kern Legacy Classic Choice Plan – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$25	\$25	\$25
Non-Preferred Brand	\$40	\$40	\$40

Kern Legacy Share Select (after combined deductible) – <u>Active Employee</u>
--

	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50
Kern Legacy Share Select (after combined deductible) – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50
Kern Legacy Network Plus – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$30	\$15	\$15
Non-Preferred Brand	\$60	\$35	\$35
Kern Legacy Network Plus – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$45	\$20	\$20
Non-Preferred Brand	\$65	\$40	\$40
Kern Legacy Max Choice (after \$100 Rx deductible) – <u>Active Employee</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50
Kern Legacy Max Choice (After \$100 Rx deductible) – <u>Under 65 Retiree</u>			
	Retail (30)	Mail (90)	CVS (90)
Generic	\$5	\$0	\$0
Preferred Brand	\$50	\$25	\$25
Non-Preferred Brand	\$90	\$50	\$50

* Subject to change at the direction of the County

Specialty Medications:

- Only **Kern Legacy Share Select** and **Kern Legacy Max Choice** have a separate **Specialty Copayment** for up to a 30 day supply:

Generic	\$50
Preferred Brand	\$90
Non-Preferred Brand	\$120

- The **Kern Legacy Health Plans** have dispensed as written (DAW) penalty applicable and, if a Generic is available for a Non-Preferred Name Brand drug, member will pay the difference in cost.
- All **Kern Legacy Health Plans** – Specialty medications must be purchased through an exclusive specialty pharmacy only unless authorized by the Plan at another pharmacy for limited distribution drugs.

Kern Legacy Share Select: Generic Preventive Medications are deductible waived and have a \$10 copay.

Claims Experience for calendar year 2023

- Net annualized PBM claims 183,983
- Total annualized Rx cost of \$29,123,510
- Annualized specialized drug spending \$13,564,215
- Generic dispensing rate 87.7%

Current Plan Design and Benefit Deviations

Proposers may submit managed formulary without the need to mirror or match the existing plan formularies; however, proposers should bid with the broadest formulary or preferred drug listing available. If multiple formularies or network options are available, proposers may submit costs for multiple formulary and network options, but must include costs for the broadest, most expansive options with minimal exclusions offered by the proposer. Copays are subject to change at any time, at the direction of the County. Additional details on the current benefits are listed in Exhibit “D.” **Proposers must be able to duplicate the benefits listed in Exhibit “D.”**

II. DESIRED OBJECTIVE(S)

The following is a general list of the desired outcome(s) that are essential to be achieved as a result of this request to provide prescription benefits management services within Kern County.

The County wishes to contract for prescription benefits management services with proposer(s) who can offer comprehensive services including, implementation of formulary management programs with minimal member disruption, contractual compliance, account management services, and customer service. Services provided should include the following characteristics:

- High level of professionalism and efficiency
- Member- and provider-friendly, with excellent customer service
- Aggressive prescription discounts and rebates (with no exclusions of Limited Distribution Drugs (LDDs) or biosimilars from rebate guarantees)
- Ability to successfully interface with plan medical management for customized prior authorization processes and other coordination with plan and providers in a manner that creates access to quality health care and effective health outcomes for members at the lowest possible cost
- Ability to successfully manage customized prior authorizations for specific therapeutic classes identified by the County
- Ability to successfully produce ID cards which combine both medical and pharmacy benefits at implementation and throughout the year as PCPs are updated and enrollment fluctuates.
- Ability to successfully interface with a point solution vendor focusing on diabetic and specialty chronic condition management
- Interact efficiently and effectively with Kern County Health & Wellness staff and be responsive and easily adaptable in response to changes in direction from the County (preference that account team is located within the same time zone as the County)
- Detailed accurate and timely reporting (generally quarterly and annually, in aggregate form) that will allow the County to monitor utilization of services by employees to better understand cost drivers and medical trends both to control costs and to promote healthier behaviors in employees
- Monitoring of spikes in drug cost trends, with timely recommendations for utilization management, if appropriate
- Provide biosimilar strategy which would reduce the County's spend and assist with the member transition.

III. ESTIMATED VALUE/COST

The following is a general outline of the estimated budget or value/cost of the work and/or services to be performed.

Costs are expected to be competitive with other providers of similar services and comparable to or below the County's current costs for providing the *same level of employee benefits*. Rates should be per employee per month for administrative services related to a self-funded plan, with the exception of per claim/prescription fees for pharmacy benefits management services, and as an under-written premium amount (single/two-party/family) for a fully insured product.

IV. BUSINESS AND/OR WORK ENVIRONMENT

The following is a general outline of the Business and Work Environment which includes a description of where and how the work will be performed (operation requirements of the work and programs, systems and infrastructure) of the prescription benefits management services that will be required.

The successful proposer will be expected to maintain the staff and expertise to administer the County's prescription drug program(s). The successful proposer will be expected to provide a dedicated staff to answer questions and respond to urgent requests of the Kern County Health & Wellness staff. A dedicated phone line with trained customer service representatives that are well versed on the County's prescription drug program(s). Account managers and other proposer staff should be available by telephone during normal County business hours and also be available to meet in-person with the County monthly, or at the County's request, to discuss program status, issues, and trends. It is preferred that the successful proposer have offices located in the metropolitan Bakersfield area with staff available to meet with plan members, providers, and County staff in-person during normal business hours. Services such as confirmation of eligibility status should be available to the County at all hours through electronic means such as Interactive Voice Response (IVR) or through online, web-based services. The vendor must have trained staff and effective, current technologies which meet all legal and regulatory needs relating to data security, privacy, and HIPAA and HITECH compliance. The successful proposer will be expected to be able to implement changes in loading and maintaining eligibility as necessitated by changes to the County's eligibility rules or as required by the County's proprietary eligibility system. Vendors must be able to provide detailed reporting regarding claims costs and plan utilization both on a monthly basis as well as, creating ad hoc reports at request of the County.

V. DESCRIPTION AND SCOPE OF WORK

The following provides a general outline of the Description and Scope of Work that will be required. It is anticipated that the final scope of work will be a product created through the negotiation process with changes based upon the professional input from the successful proposer.

Each of the possible components of this RFP are presented separately below, in the event that proposers may wish to only respond to a single aspect of the RFP.

Please note: Proposers must also complete the questionnaire, found in Exhibit "E" of this RFP. Completed questionnaires should be included as supplementary material in the response to Section II.D.6 of this RFP.

Scope of Work to Provide Pharmacy Benefits

The County intends to contract with a successful proposer for prescription benefit management services for all Kern Legacy Health Plans, depending on the RFP results. Proposers are asked to provide a bid offering the PBM's national network offering where the County would use the PBM's Specialty and Mail solution. This RFP requires transparency in the offering and should be based on a pass through arrangement with full disclosure.

The administrative fees quoted should be inclusive of ALL of the below listed items, as well as any additional functions necessary for performance of the services requested in this RFP and will include the fee paid to the County's pharmacy consultant. Minimum services provided should include the following:

Account Management Services

- Provide a dedicated Account Manager and Account Management Team to provide the following: Implementation Services
- Manual/Emergency Eligibility updates
- Plan Changes and Support
- Program Consultation
- Attendance at the monthly meetings
 - Provide claims forms
 - Receive claims and process payments of benefits in accordance with the Plan designs for all claims incurred
 - Correspond with participants and providers if additional information is necessary to complete the processing of claims
 - Determine, based on the County's medical necessity guidelines, benefits payable under the Plan, pursuant to the terms and conditions of the County's Benefit Plan booklet
 - All levels of claim appeals
 - Receive and review claims and claims-related documents, including run-in claims
 - Direct Member Reimbursement
 - Pharmaceutical Company Relations
 - Rebate Contracting
 - Rebate Contract Management
 - Rebate Invoicing, Reconciliation and Payment

Invoicing

- Funding requests for claims payment should be invoiced in detail with separate totals or subtotals by benefit plan and by population (Active, COBRA, Retiree)
- Detailed monthly invoices on all administrative and other fees

Customer Service

- Provide customer service to answer inquiries on claims, eligibility, provider network, services, coverages, or other inquiries from participants Monday through Friday from 8:00 AM to 5:00 PM (PST)
- Standard Written, On-line Management Reports (monthly and quarterly)
- Internet Website Designed with plan specifications
- 1-800 Pharmacy Locator Service
- 1-800 Pharmacy Help Desk
- On-Line Drug Utilization Review Services
- On-Line Formulary Usage Monitoring
- Quantity Limit Programs, Step Therapy Programs, Prior Authorization Programs messaging and education
- Upon Client's request, the successful proposer will arrange quarterly meetings attended by Senior Account Management and Clinical Staff, either by phone or in person, as directed by the County
- Reports
 - Standard Reporting Package of Standard Reports
 - Electronic claims payment file

Communication/Education Materials:

- Submit all member communication materials for prior approval by the County
- County may edit and customize proposer's materials until approved
- Provide bilingual communication/educational materials
- Patient and Provider Education

Eligibility/Enrollment Administration:

- Accept full eligibility files from the County on a twice-weekly basis and load and maintain current eligibility, including analysis and reconciliation of discrepancies within two (2) business days

- Provide same business day emergency updates/overrides of eligibility information, if requested by authorized County staff

Identification Cards

The vendor, must provide routine distribution of ID cards, including printing, mailing, and postage. The PBM, at its own cost, will provide ID cards directly to the participant's home address for (1) the initial enrollment of the Plan, (2) future new enrollees, (3) participants who change coverage, and (4) replacement of lost cards. The ID cards should be in the County's approved format with the required information include on the ID card.

Network Management:

- Network Administration Services for all Pharmacies
 - On-line drug interaction database
 - Pharmacist education
 - Reimbursement negotiations
 - Customized network contracting
- Network Pharmacy Credentialing for all Pharmacies
- Pharmacy Claims Submission
- Formulary Management and Rebate Sharing

Health Management Services:

- Clinical and Ancillary Services
 - Standard Drug Utilization Review
 - Quarterly On-Site Physician meeting with top Doctors
 - Formulary Management
 - Formulary Support
- Prior Authorization Services
 - Process prior authorizations according to accepted medical/ pharmacological guidelines
 - Weekly reports to the County's designated medical management vendor on all prior authorizations pending, approved, or denied
 - Coordinate with the County's designated medical management vendor as requested by the County or as required by the County's benefit design
 - Coordinate with the County's point solution vendor as requested by the County

- Systematic Prospective, Concurrent and Retroactive Drug Utilization Review of medications covered under the “Specialty Self-Injectable Medication” benefit; certain medications covered under the “Retail and Mail Order Pharmacy” benefit (if these medications are available under the benefit plan)
- Monthly or quarterly reports with analysis of the prior periods clinical and utilization trends
- Clinical outcomes reporting for chronic disease management

Data Reporting

- Monthly claims reports should include the following minimum measurements/metrics, reported separately by benefit plan and by population (Active, COBRA, Retiree):
 - Separate claims count for generic, brand, and specialty
 - Separate total cost for generic, brand, and specialty
 - Number of unique utilizing members for generic, brand, and specialty
 - Generic claims as percentage of total claims
 - Member cost (copay)
 - Net plan cost
 - Plan cost per member per month
 - Plan cost per member per month for generic, brand, and specialty
 - Plan cost per unique utilizing member per month
 - Plan cost per unique utilizing member per month for generic, brand, and specialty
- Data reporting as outlined in your proposal response. Data must be provided to the Plan on a regular basis and to any contractor for data analysis contracted with the County and the consultant
- Outcome reporting for all programs as outlined in your proposal response. Outcome reporting must be provided to the Plan on a regular basis and to any contractor for data analysis contracted with the County and the consultant
- Financial reports must be provided to the County broken down by the account structure determined by the County and in a quantity sufficient to meet the accounting and auditing responsibility of the County
- Weekly, monthly, or semi-monthly reports on the funding account in order to maintain sufficient funds within the vendor to pay claims
- Quarterly reports on projected, actual, and accrued and unpaid rebates
- Rights of the County to audit the records and accounts of the vendor with respect to its contract with the County will be preserved

- The vendor will prepare and file reports required by the Federal Government
- The vendor is responsible for quality control processes to regularly evaluate the performance and accuracy of the claims processing systems and the claims processing staff. Findings of quality control evaluations will be provided to the County.

Mail Order Services

1. The vendor must make available a mail order prescription drug program to process and dispense covered prescription drugs. Programs such as drug utilization review, drug limitation, and prior authorization services must be applied to mail order services and must be consistent with the retail channel.
2. The vendor's mail order service must provide to participants toll free telephone access to a pharmacist and customer service representative.
3. The vendor will guarantee that discounts provided on mail order claims should meet or exceed those of retail.

Additional Requirements

- Pricing should be provided on a **transparent, pass-through basis**.
- The successful proposer will agree to be bound by, and incorporate into any final agreement, the definitions and terms outlined in Exhibit "C" to this RFP.
- The successful proposer will commit to having a fully executed agreement in place within thirty (30) days of award.
- The County will have the right to terminate the successful proposer's contract with or without cause given a ninety (90) day notice period after the initial 12-month period elapse, without penalty to Kern County.
- The successful proposer will provide face-to-face reviews, no less than quarterly, with monthly reports presented in person to the County during the regularly scheduled Vendor meeting. These reports shall include utilization by plan and by group and include utilization and performance of the pharmacy benefit program, including specialized reports in support of programs implemented by the County. The successful proposer will also have a clinical representative meeting with top doctors, no less than quarterly, and those outcomes will be discussed at all quarterly meetings.
- The successful proposer must provide the ability to transmit data to and from its site via a secured direct transmission line or any other federally approved means of data transmission.

- All data transmitted to and from the successful proposer must be transacted in accordance with the standards set out in the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- The successful proposer must identify immediately and provide notification to the County of any system outages directly relating to claims processing and eligibility.
- The successful proposer must not use, distribute or make available to any third party the County's member data for any purpose not directly related to the administration of the County's prescription drug benefit program. The successful proposer must also comply with all state and federal privacy regulations then in effect.
- The PBM agrees to provide an Implementation Credit to Kern County on a Per Member basis.
- The PBM agrees to provide Ongoing Credit to Kern Count on a Per Member basis to assist with program fees that are not included in the administrative fee.
- The successful proposer must supply a toll-free number for member, physician, and pharmacist inquiries.
- The successful proposer must allow the County or its designee, to conduct a financial contract review of PBM pricing discounts, manufacturer rebates, and its services no less frequently than once annually. Kern County will not be held responsible for the successful proposer's time or miscellaneous costs incurred in association with any audit process including all costs associated with provision of data, audit finding response reports, or systems access, provided to Kern County or its designee by the vendor during the life of the contract. The successful proposer will be given thirty (30) calendar days to review and respond or accept the findings. If any deficit has been identified, the successful proposer will credit the County that amount within thirty (30) calendar days of final acceptance of the findings. The successful proposer will pay Alliant Insurance Services, Inc. a fee of \$0.50 per net paid claim, quarterly, for services offered to the County through the contract period.
- The successful proposer(s) that are selected for final evaluation may be required to make an oral presentation at their own expense to the RFP Evaluation Panel.
- Each distinct pricing guarantee (including rebates) will be measured and reconciled on a component (e.g., retail brand, retail generic, mail order brand, mail order generic, and specialty) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by Kern County. **Surpluses**

in one component may not be utilized to offset deficits in another component.

- Both non-MAC and MAC, single-source and multiple source generic products are to be included in the generic guarantee measurement. No proprietary recoding of medications will be allowed.
- After the first full contract year of the initial term, the County shall have the right to conduct a market check to confirm that PBM's pricing is competitive. County agrees that the market check shall be based upon the same financial assumptions of this Agreement, including Plan Design, and that the market check will be based upon similar entities in size and market as County. In the event that the successful proposer's pricing is less competitive, the County or designee shall provide the successful proposer with its market check documentation. The successful proposer agrees to enter into good faith negotiations to reach agreement on acceptable financial terms in accordance with the market check. In the event the Parties are unable to agree on pricing terms within ninety (90) days after the County submits its market check documentation to the successful proposer, the County may terminate this Agreement upon providing ten (10) day written notice to the successful proposer. New pricing must be implemented within ninety (90) days of completion of the market check or signature of contract, in the third contract year. Acceptance of the new pricing will apply for the remainder of the initial three-year term and will NOT result in extension of the contract.
- The final agreement will provide one hundred eighty (180) days advance notice of renewal rates (after initial three (3) year term), which shall then be subject to negotiation and written agreement between the parties. No automatic renewal language will appear in the contract.
- With the exception of FDA recalls or other safety issues, the successful proposer agrees not to remove any drug products, brand or generic, from the County's formulary or preferred drug listing without notification and prior approval from the County.
- **The successful proposer agrees to notify Kern County or its designee in advance of ninety (90) days when a formulary drug is targeted to be moved to or from the preferred drug list.** The successful proposer must provide a detailed disruption and financial impact analysis at the same time.
- The successful proposer agrees to adjudicate prescription claims for compound medications with the same dispensing fees and logic associated with traditional claims.

- The successful proposer agrees to provide the option to grandfather the County’s current formulary for ninety (90) days following the contract effective date, without any negative effect to the proposed rebates.
- The successful proposer will NOT implement, administer, or allow any program that results in the conversion from lower discounted ingredient cost drug products to higher ingredient cost drug products or increases member’s cost share without the prior written consent of the County or its designee.
- The successful proposer will respond to and incorporate future Health Care Reform changes or other changes in state and federal law or regulation in full compliance and at no additional cost to the County.
- The successful proposer will reconcile rebate guarantees to verify that the County is receiving the guaranteed rebates and provide rebate reports listing detailed rebate utilization and calculations to the County quarterly, within sixty (60) days of the quarter’s close, without a request being made by the County.
- All rebate revenue earned by the County will be paid to the County regardless of their termination status as a client. Lag rebates will continue to be paid to the County after termination until 100% of earned rebates are paid.
- The successful proposer should have the ability to separate specialty medications in to tiers for special copay pricing.
- The successful proposer should have a biosimilar strategy that allows members to utilize a branded medication.

Proposers must also agree to accept and abide by the definitions and terms set forth in Exhibit “C” to this RFP, both during the proposal submission and in negotiating the final agreement with the County.

VI. DELIVERABLES

The following are objective tangible results that the Contractor must produce in order to receive payment. This may also include deliverables with milestones dates or time periods that are required to be completed.

The successful proposer will be expected to enter into agreement to provide a fully operational prescription drug benefit product meeting the applicable specifications provided elsewhere in this document (see this Exhibit “A,” Exhibit “C,” and Exhibit “D” in particular) **by April 1, 2025**. All necessary implementation work **will need to be completed PRIOR TO APRIL 1, 2025**, including:

- Benefit design and claims systems checks
- Securing necessary network coverage and contracts
- Completion of EDI transfer set-up (e.g., 834 or as applicable)
- Appropriately advertising any phone number, fax number, website, or electronic claims submission changes
- Meeting requirements for issuing payments to in-network pharmacies
- Preparation of necessary member and provider materials

Proposers should be fully aware of the steps necessary to ensure a successful transition of members. Beyond the implementation period, continued quality of service will be expected both from the account management as well as in administering benefits for members. Containment of total costs to the County will also be critical to the proposer's success, either through prescription discounts or assistance with management of prescription utilization and members' health outcomes.

VII. CONTRACTOR LICENSING, CERTIFICATIONS & QUALIFICATIONS

The following is a general outline of the skill sets, Contractor Licensing, Certifications, and Qualifications that will be required.

All personnel working for the successful proposer on this account must have the applicable training, permits, and licensing or approvals as required by law.

VIII. CONSTRAINTS TO PROPOSER'S APPROACH AND METHODOLOGY

The following is a general outline of the constraints, obstructions, roadblocks that may affect the Proposer's approach and methodology that will be needed and/or considered in order for the prescription benefits management service consultant to submit as part of their proposal response.

The County operates on a plan year from January 1 to December 31 with an annual open enrollment period in the fall of the prior year (usually in early October). **Full implementation by April 1, 2025** will also require having all plan design, participating pharmacies, and necessary documents for the open enrollment period finalized and made available to the County.

Due to the County having multiple health plan options, the successful proposer will be tasked with providing quality service and promoting healthy outcomes for plan members at the lowest possible cost in order to compete successfully for members during the annual open enrollment periods. Enrollment is not guaranteed and is subject to change based on the successful proposer's performance and the total plan costs. The successful proposer will need to work to reduce the cost of the prescription benefit to maintain competitive premiums and attract new members, while also providing exceptional customer service and access to necessary medication in order to retain current members.

IX. PERFORMANCE STANDARDS AND QUALITY ASSURANCE

The following is a general outline of the Performance Standards and Quality Assurance benchmarks that are required as part of this proposal. For additional standards, see Section II – Objectives.

The County expects that services will be provided in a professional manner, consistent with accepted industry practices and to the benefit of the County as both employer and primary payer for all services provided. Controlling overall costs of the prescription benefit will be of upmost importance. Proposers will additionally be expected to include performance guarantees with financial penalties as part of their final contract. Penalties should be expressed as flat dollar amounts for a full annual term. Please complete the performance guarantees found Exhibit “E” and include as part of your response to Section II.D.7 of the RFP.

X. SECURITY REQUIREMENTS

The following is a general outline of the Security Clearance and Information Technology Requirements necessary as part of this proposal.

All proposers must have the appropriate training, knowledge, and technical equipment and expertise to meet or exceed requirements of all applicable state and federal laws and regulations regarding protection of medical information and electronic data storage and transmission. The successful proposer must also have available secure forms of communication (encrypted email, secure file transfer, etc.) for conducting daily business with the County or its designees.

XI. SUMMARY OF DESIRED OUTCOME(S) AND DELIVERABLES

The following is a general Summary of Desired Outcome(s) and Deliverables required as part of this proposal. The items below are only key factors in the proposal to provide prescription benefits management services for Kern County Health & Wellness.

For a more comprehensive list of outcomes, see Section II – Objectives. For a comprehensive list of deliverables, see Section V – Description and Scope of Work and Section VI – Deliverables.

Kern County wishes to contract with qualified vendor(s) to provide quality pharmacy benefits management for prescription benefit plans at a similar level of benefits currently offered to employees. The County’s benefits plans operate on a plan year from January 1 to December 31, and the successful proposer (s) would be expected to have a fully formed and functional product ready to provide all needed prescription benefit plan services to enrolled members by April 1, 2025. The successful proposer will need to be able to have a substantial level of implementation work completed by December 1, 2024.

The successful proposer(s) will need to have the necessary knowledge, expertise, and equipment to provide pharmacy benefits management services in an efficient manner and meeting all legal and regulatory requirements. The successful proposer(s) will be in a competitive environment with other medical and prescription benefit plan options and will need to perform in a capacity that will meet the high level of expectations of County employees and retirees. The County will expect that any successful proposer be able to provide excellent service that maintains high customer satisfaction while simultaneously managing costs. Prescription discounts and rebates will be the most significant drivers of overall costs, since benefit design will be determined by the County through collective bargaining.

Additionally, Kern County Health & Wellness staff will often need to request information or intercede on behalf of plan members and a successful proposer will be thoroughly responsive and adapt well to sometimes sudden changes in direction from the County.

For a more comprehensive list of outcomes, see Section II – Objectives. For a comprehensive list of deliverables, see Section V – Description and Scope of Work and Section VI – Deliverables.

**KERN COUNTY
MASTER TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall commence April, 2025 (the “Effective Date”), and shall end December, 2027, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

2. **Obligations of Contractor.**

2.1 **Specified Services.** Contractor shall perform the services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference. Such services may be changed from time to time by agreement of the parties in accordance with the provisions of this Agreement.

2.2 **Representations.** Contractor makes the following representations which are agreed to be material to and form a part of the inducement for this Agreement: (i) Contractor has the expertise and support staff necessary to provide the services described in this Agreement; and (ii) Contractor does not have any actual or potential interests adverse to County nor does Contractor represent a person or firm with an interest adverse to County with reference to the subject of this Agreement; and (iii) Contractor shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.

2.3 **Standard of Care.** County has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all of its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor’s work by County shall not operate as a waiver or release.

2.4 **Performance Standard.** Contractor shall perform all services hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor’s profession. If County determines that any of Contractor’s work is not in accordance with such level of competency and standard of care, County, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with County to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of section __; or (d) pursue any and all other remedies at law or in equity.

2.5 **Assigned Personnel.** Contractor shall assign only competent personnel to perform the Services hereunder. In the event that at any time County, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform the Services hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from County.

2.6 **Taxes.** Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and

federal income and FICA taxes. Contractor agrees to indemnify and hold County harmless from any liability which it may incur to the United States or to the state of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case County is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish County with proof of payment of taxes on these earnings.

2.7 Nonexclusive Services. Contractor understands and agrees that County will utilize the services of Contractor pursuant to the terms of this Agreement on a non-exclusive basis. Contractor further agrees that County shall retain the option to enter into agreements with other organizations for purposes of securing the services, in its sole discretion.

[Insert additional obligations of Contractor, if any]

3. **Obligations of County.**

3.1 County Designee. County will designate a primary contact, who will arrange for County staff assistance as may be required.

[Insert additional obligations of County, if any]

4. **Payment for Services.**

4.1 Fees and Charges. As consideration for the services provided by Contractor hereunder, County will pay Contractor in accordance with the fee schedule set forth in Exhibit "B," attached hereto and incorporated herein by this reference, notwithstanding the performance guarantees set forth in Exhibit "C," attached hereto and incorporated herein by this reference. Contractor shall pay County, as required in Exhibit "C," in accordance with its binding administrative performance guarantees. County will reimburse Contractor for reasonable and necessary costs incurred on behalf of County, but only to the extent such reimbursement is expressly provided for herein. No additional compensation or reimbursement will be paid for secretarial or clerical support staff, overhead costs or other costs incurred in connection with the performance of this Agreement. [All services are payable in arrears.]

4.2 Invoices. Invoices for payment shall be submitted in a form approved by County and list each service performed. Invoices and receipts shall be sent to County for review and processing. Payment shall be made to Contractor within 30 days of receipt and approval of each invoice by County.

4.3 Maximum Payable. The maximum payable under this Agreement will not exceed \$_____ **[insert dollar amount]** over the _____-year **[insert term of agreement]** term of this Agreement.

4.4 Taxpayer Identification. To ensure compensation is reported as paid to the proper party, Contractor will complete and execute IRS Form W-9 (Exhibit "D," attached hereto and incorporated herein by this reference), which identifies the taxpayer identification number for Contractor.

5. **Assignment.** Contractor shall not assign, delegate, sublet, or transfer any interest in or duty under this Agreement. Contractor shall not assign any money due or which becomes due to Contractor under this Agreement without the prior written approval of County.
6. **Audits, Inspection and Retention of Records.** Contractor agrees to maintain and make available to County accurate books and records relative to all its activities under this Agreement. Contractor shall permit County to audit, examine and make excerpts and transcripts from such records, and to conduct audits or reviews of all invoices, materials, records or personnel or other data related to all other matters covered by this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last. The state of California or any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon County herein.
7. **Authority to Bind County.** It is understood that Contractor, in its performance of any and all duties under this Agreement, has no authority to bind County to any agreements or undertakings.
8. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision. This Agreement is the product of negotiation and both parties are equally responsible for its authorship. Section 1654 of the California Civil Code shall not apply to the interpretation of this Agreement.
9. **Change in Law.** In the event that a change in state or federal law or regulatory requirement (or the application thereof), any of which renders this Agreement illegal, impossible to perform, or commercially impracticable, the parties agree to negotiate immediately, in good faith, any necessary or appropriate amendments(s) to the terms of this Agreement. If the parties fail to reach a mutually agreeable amendment within 30 days of such negotiation period, this Agreement shall automatically terminate at the end of such 30-day period.
10. **Choice of Law/Venue.** The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the state of California. It is expressly acknowledged that this Agreement has been entered into and will be performed within Kern County. Should any suit or action be commenced to enforce or interpret the terms of this Agreement or any claim arising under it, it is expressly agreed that proper venue shall be in Kern County, state of California.
11. **Compliance with Law.** Contractor shall observe and comply with all applicable County, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
12. **Compliance Program.** During the term of this Agreement, Contractor shall maintain a compliance program designed to promote compliance with applicable laws, rules and regulations. The compliance program shall be based on the policies and procedures recommended in compliance program guidance issued by the Office of the Inspector General of the Department of Health and Human Services for companies providing third-party billing and coding services. Said policies and procedures shall include, without limitation: (1) the

distribution of written standards of conduct and policies and procedures relating to compliance; (2) the designation of a chief compliance officer and a committee authorized to operate the compliance program; (3) the provision of regular training and education programs and materials for Contractor's assigned personnel; (4) the establishment of a communications channel for receiving on an anonymous basis allegations of violations; (5) a program to investigate and discipline Contractor's assigned personnel who violate Contractor's policies or applicable laws, rules or regulations; (6) use of audits and other risk evaluation techniques to monitor compliance; and (7) a program to investigate and correct errors and assure that individuals excluded and/or sanctioned by the Medicare or Medi-Cal programs are not employed by or otherwise contracted with Contractor. Contractor's assigned personnel shall demonstrate the existence of an internal compliance program or plan.

13. Confidentiality.

13.1 Use and Disclosure Restrictions. Neither party shall, without the written consent of the other, communicate confidential information of the other, designated in writing or identified in this Agreement as such, to any third party and shall protect such information from inadvertent disclosure to any third party in the same manner that the receiving party would protect its own confidential information. The foregoing obligations will not restrict either party from disclosing confidential information of the other party: (i) pursuant to applicable law; (ii) pursuant to the order or requirement of a court, administrative agency, or other governmental body, on condition that the party required to make such a disclosure gives reasonable written notice to the other party to contest such order or requirement; and (iii) on a confidential basis to its legal or financial advisors.

13.2 Trade Secrets. The parties acknowledges that each party, in connection with its business, has developed certain operating manuals, symbols, trademarks, trade names, service marks, designs, patient lists, procedures, processes, and other copyrighted, patented, trademarked, or legally protectable information which is confidential and proprietary to the party that constitute its trade secrets. The parties shall not use any name, symbol, mark, or other proprietary information of the other party except as expressly permitted.

13.3 Medical Records. The parties agree to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including, but not limited to, the California Confidentiality of Medical Records Information Act, codified at section 56.1 of the California Civil Code, California Evidence Code sections 1156 and 1157, and the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations.

13.4 Protected Health Information. Contractor and County recognize that in performing services, Contractor may receive, create or otherwise have access to protected health information ("PHI") and thereby become a business associate of County (as defined by the privacy, security, breach notification, and enforcement rules at 45 C.F.R. Part 160 and Part 164). Accordingly, the parties shall protect PHI in accordance with the HIPAA Business Associate Addendum, attached as Exhibit "E" and incorporated herein by this reference. In the event of a conflict between Exhibit "E" and any other confidentiality provision of this Agreement, Exhibit "E" shall control.

13.5 **Ownership of Records.** All documents, papers, notes, memoranda, computer files and other written or electronic records of any kind (“Documents”), in whatever form or format, assembled, prepared or utilized by Contractor or Contractor’s assigned personnel during and in connection with this Agreement shall remain the property of County at all times. Upon the expiration or termination of this Agreement, Contractor shall promptly deliver to County all such Documents, which have not already been provided to County in such form or format as County deems appropriate. Such Documents shall be and will remain the property of County without restriction or limitation. Contractor may retain copies of the above described Documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of County.

14. **Conflict of Interest.** Consultant has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. Consultant agrees that they are unaware of any financial or economic interest of any public officer or employee of the County relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the County may immediately terminate this Agreement by giving written notice thereof. Consultant shall comply with the requirements of Government Code section 87100 et seq. during the term of this Agreement.

15. **Consent.** Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

16. **Construction.** To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and County acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and County acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

17. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

18. **Disqualified Persons.** The parties mutually represent and warrant to one another that they and their respective representatives are not: (i) currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 U.S.C. section 1320a-7b-(f) (the “Federal health care programs”) and/or present on the exclusion database of the Office of the Inspector General (“OIG”) or the Government Services Administration (“GSA”); (ii) convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs; or (iii) debarred, suspended, excluded or disqualified by any federal governmental agency or department or otherwise declared ineligible from receiving federal contracts or federally approved subcontracts or from receiving federal financial and

nonfinancial assistance and benefits. This shall be an ongoing representation and warranty during the term of this Agreement and a party shall immediately notify the other party of any change in the status of any of the representations and/or warranties set forth in this section. Any breach of this section shall give the non-breaching party the right to terminate this Agreement immediately.

19. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to County is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

20. **Immigration Compliance.** Contractor shall comply with all provisions of immigration law with respect to hiring, recruiting or referring for employment persons whose authorization for employment in the United States has been verified, and shall provide County with a copy of such verification required in 8 USCA section 1324a. Without limiting the generality of the indemnification in section __, Contractor agrees to indemnify, defend, and hold harmless County, its agents, officers, and employees, from any liability, damages, or causes of action arising out of Contractor's failure to comply with this section __.

21. **Indemnification and Hold Harmless.** Contractor agrees to indemnify, defend and hold harmless County and County's agents, board members, elected and appointed officials and officers, employees, volunteers and authorized representatives from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, and expenses (including, but not limited to, reasonable attorneys' fees of County Counsel and counsel retained by County, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with any act or omission of Contractor or Contractor's officers, agents, employees, independent contractors, subcontractors of any tier, or authorized representatives. Without limiting the generality of the foregoing, the same shall include bodily and personal injury or death to any person or persons; damage to any property, regardless of where located, including the property of County; and any workers' compensation claim or suit arising from or connected with any services performed pursuant to this Agreement on behalf of Contractor by any person or entity.

22. **Independent Contractor.** In the performance of the services under this Agreement, Contractor shall be, and acknowledges that Contractor is in fact and law, an independent contractor and not an agent or employee of County. Contractor has and retains the right to exercise full supervision and control over the manner and methods of providing services to County under this Agreement. Contractor retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Contractor in the provision of services under this Agreement. With respect to Contractor's employees, if any, Contractor shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

23. **Insurance.** Contractor, in order to protect County and its board members, officials, agents, officers, and employees against all claims and liability for death, injury, loss and damage as a result of Contractor's actions in connection with the performance of Contractor's

obligations, as required in this Agreement, shall secure and maintain insurance as described below. Contractor shall not perform any work under this Agreement until Contractor has obtained all insurance required under this section and the required certificates of insurance and all required endorsements have been filed with County's authorized insurance representative, Insurance Tracking Services, Inc. ("ITS"). Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of the insurance requirements set forth herein. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request, Contractor shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter(s) and their company to the coverage, limits and termination provisions shown thereon. Contractor shall promptly deliver to ITS a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term specified herein. Such certificates and endorsements shall be delivered to ITS prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof if so requested. Contractor shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Contractor or County as an additional insured.

a. Workers' Compensation and Employers Liability Insurance Requirement: In the event Contractor has employees who may perform any services pursuant to this Agreement, Contractor shall submit written proof that Contractor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

Contractor shall require any subcontractors to provide workers' compensation for all of the subcontractors' employees, unless the subcontractors' employees are covered by the insurance afforded by Contractor. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Contractor shall provide and/or require each subcontractor to provide adequate insurance for the coverage of employees not otherwise covered. Contractor shall maintain employer's liability insurance with limits of \$1,000,000 for bodily injury or disease.

b. Liability Insurance Requirements:

(1) Contractor shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:

(a) Commercial General Liability Insurance including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Contractor's performance of work under this Agreement. The Commercial General Liability Insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Contractor shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be the policy limits, which shall be at least \$1,000,000 each occurrence and \$2,000,000 aggregate.

(b) Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering any vehicle and/or all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement, with coverage equal to the policy limits, which shall be at least \$1,000,000 each occurrence.

(c) Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with coverage equal to the policy limits, which shall not be less than \$1,000,000 per occurrence and \$3,000,000 aggregate.

(2) The Commercial General Liability and Automobile Liability Insurance required in this subparagraph b. shall include an endorsement naming County and County's board members, officials, officers, agents and employees as additional insureds for liability arising out of this Agreement and any operations related thereto. Said endorsement shall be provided using one of the following three options: (i) on ISO form CG 20 10 11 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms that provide coverage at least equal to or better than form CG 20 10 11 85.

(3) Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to County and must be approved by the County Risk Manager.

(4) If any of the insurance coverages required under this Agreement is written on a claims-made basis, Contractor, at Contractor's option, shall either (i) maintain said coverage for at least three (3) years following the termination of this Agreement with coverage extending back to the Effective Date of this Agreement; (ii) purchase an extended reporting period of not less than three (3) years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.

c. Cancellation of Insurance - The above stated insurance coverages required to be maintained by Contractor shall be maintained until the completion of all of Contractor's obligations under this Agreement except as otherwise indicated herein. Each insurance policy supplied by Contractor must be endorsed to provide that the coverage shall not be suspended, voided, cancelled or reduced in coverage or in limits except after ten (10) days' prior written notice in the case of non-payment of premiums, or thirty (30) days' prior written notice in all other cases. Such notice shall be by certified mail, return receipt requested. This notice requirement does not waive the insurance requirements stated herein. Contractor shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.

d. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. Any exception to these requirements must be approved by the County Risk Manager.

e. If Contractor is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Contractor shall provide coverage equivalent to the insurance coverages and endorsements required above. County will not accept such coverage unless County determines, in its sole discretion and by written acceptance, that the coverage proposed to be provided by Contractor is equivalent to the above-required coverages.

f. All insurance afforded by Contractor pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by County. An endorsement shall be provided on all policies, except professional liability/errors and omissions, which shall waive any right of recovery (waiver of subrogation) against County.

g. Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Contractor for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude County from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.

h. Failure by Contractor to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Contractor, and County, at its sole option, may terminate this Agreement immediately and obtain damages from Consultant resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Consultant, County shall deduct from sums due to Consultant any premiums and associated costs advanced or paid by County for such insurance. If the balance of monies obligated to Consultant pursuant to this Agreement are insufficient to reimburse County for the premiums and any associated costs, Consultant agrees to reimburse County for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by County to take this alternative action shall not relieve Consultant of its obligation to obtain and maintain the insurance coverages required by this Agreement.

24. **Amendments** This Agreement represents the full and complete understanding between the parties, and may only be modified or amended by a written agreement signed by both parties.

25. **No Third Party Beneficiaries.** It is expressly understood and agreed that the enforcement of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to County and Contractor. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of County and Contractor that any such person or entity, other than County or Contractor, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

26. **Non-appropriation.** County reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, County will be released from any further financial obligation to Contractor, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Contractor will be given thirty (30) days' prior written notice in the event that County requires such an action.

27. **Non-collusion Covenant.** Contractor represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this

Agreement with County. Contractor has received from County no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.

28. **Nondiscrimination.** Neither Contractor, nor any officer, agent, employee, servant or subcontractor of Contractor shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, ancestry, national origin, religion, sex, actual or perceived sexual orientation, marital status, age, pregnancy, medical condition, handicap or other prohibited basis, either directly, indirectly or through contractual or other arrangements.

29. **Non-solicitation.** During the term of this Agreement and for a period of one (1) year thereafter, neither party nor any of their affiliates shall, without the prior written approval of the other (i) employ, retain, offer employment to or offer retention of any person who is or was employed by or under contract with the non-soliciting party during the term of this Agreement, or (ii) solicit, advise or otherwise do, or attempt to do, business with any employee or independent contractor of the non-soliciting party who is or was employed by or under contract with the non-soliciting party during the term of this Agreement.

30. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of County. Forbearance or indulgence by County in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Contractor. County shall be entitled to invoke any remedy available to County under this Agreement or by law or in equity despite said forbearance or indulgence.

31. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Contractor: [Name]
 [Address]
 [City, State, ZIP]
 Attn.: [Name or Title]

Notice to County: Kern County Health & Wellness
 1115 Truxtun Avenue, 1st Floor
 Bakersfield, California 93301

32. **Signature Authority.** Each party represents that they have full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

33. **Sole Agreement.** This Agreement, including all attachments hereto, contains the entire agreement between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or

promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

34. Termination.

34.1 Termination with Cause. Either party may terminate this Agreement in the event of a material breach by the other; provided, however, the termination for the breach of this Agreement will not become effective unless and until the party not in default, has given the other party written notice of breach, which notice shall state the general nature of the breach, and the party allegedly in default will thereafter have a period of thirty (30) days following the giving of said notice in which to remedy the default to the reasonable satisfaction of the other party. If the alleged default is of the kind that cannot be cured within thirty (30) days, then the party allegedly in default will have an additional thirty (30) days in which to remedy the breach as long as such party is acting in good faith and using diligent efforts to remedy such breach throughout the cure period.

34.2 Termination without Cause.

33.2.1 By Contractor. Contractor may terminate this Agreement, without penalty or cause, by giving written notice to County at least one hundred eighty (180) days prior to the effective date of such termination.

33.2.2 By County. County may terminate this Agreement, without penalty or cause, by giving written notice to Contractor at least thirty (30) days prior to the effective date of such termination.

34.3 Immediate Termination. Notwithstanding the foregoing, County shall have the right to terminate this Agreement effective immediately after giving written notice to Contractor, for any of the following reasons: (i) County determines that Contractor does not have the proper credentials, experience or skill to perform the required services under this Agreement; (ii) continuation by Contractor in the providing of services may result in civil, criminal, or monetary penalties against County; (iii) the violation of any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which County is subject; (iv) an unauthorized use or disclosure of confidential or proprietary information by Contractor which causes material harm to County; (v) commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by Contractor against County; or (vi) the failure of Contractor to cure a default within the time allowed in paragraph.

35. Effect of Termination.

35.1 Payment Obligations. In the event of termination of this Agreement for any reason, County shall have no further obligation to pay for any services rendered or expenses incurred by Contractor after the effective date of the termination, and Contractor shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

35.2 No Interference. Following the expiration or earlier termination of this Agreement, Contractor shall not do anything or cause any person to do anything that might interfere with any efforts by County to contract with any other individual or entity for the

provision of services or to interfere in any way with any relationship between County and any provider that may replace Contractor.

36. **Time of Essence.** Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

[Signatures follow on next page]

EXHIBIT "A"
Description of Services

[Insert according to RFP requirements, as negotiated]

**EXHIBIT “B”
Fee Schedule**

[Insert according to RFP requirements, as negotiated]

**EXHIBIT “C”
Administrative Performance Guarantees**

[Insert according to RFP requirements, as negotiated]

EXHIBIT "D"

IRS FORM W-9

**EXHIBIT “E”
HIPAA BUSINESS ASSOCIATE ADDENDUM**

WHEREAS, _____ [insert name of Contractor], hereinafter referred to in this Business Associate Addendum (this “Addendum”) as “Business Associate,” and Kern County, a political subdivision of the state of California, hereinafter referred to in this Addendum as “Covered Entity,” have entered into an Agreement for Professional Services, with an effective date of _____ [insert effective date of underlying agreement] (the “Underlying Agreement”); and

WHEREAS, Business Associate acknowledges Covered Entity has in its possession data that contain individual identifiable health information as defined by Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (“HIPAA”) and the regulations promulgated thereunder; and

WHEREAS, Business Associate and Covered Entity acknowledge that the fulfillment of the parties’ obligations under the Underlying Agreement necessitates the exchange of, or access to, data including individual identifiable health information; and

WHEREAS, the parties desire to comply with federal and California laws regarding the use and disclosure of individually identifiable health information;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties agree as follows:

Definitions

Catch-all definition:

The following terms used in this Addendum shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

(a) Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this Addendum, shall mean _____ [insert name of Contractor].

(b) Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this Addendum, shall mean Kern County, a political subdivision of the state of California.

(c) HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

Obligations and Activities of Business Associate

Business Associate agrees to:

- (a) Not use or disclose protected health information other than as permitted or required by the Underlying Agreement or as required by law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Underlying Agreement;
- (c) Report to Covered Entity any use or disclosure of protected health information not provided for by the Underlying Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware;
- (d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information;
- (e) Make available protected health information in a designated record set to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524;
- (f) Make any amendment(s) to protected health information in a designated record set as directed or agreed to by Covered Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526;
- (g) Maintain and make available the information required to provide an accounting of disclosures Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528;
- (h) Comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s), to the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164; and
- (i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

Permitted Uses and Disclosures by Business Associate

- (a) Business Associate may only use or disclose protected health information as necessary to perform the services set forth in the Underlying Agreement.
- (b) Business Associate may use or disclose protected health information as required by law.
- (c) Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Covered Entity's minimum necessary policies and procedures.

(d) Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.

(e) Business Associate may disclose protected health information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(f) Business Associate may provide data aggregation services relating to the health care operations of Covered Entity.

Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions

(a) Covered Entity shall notify Business Associate of any limitation(s) in the notice of privacy practices of Covered Entity under 45 CFR 164.520, to the extent that such limitation may affect Business Associate’s use or disclosure of protected health information.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect Business Associate’s use or disclosure of protected health information.

(c) Covered Entity shall notify Business Associate of any restriction on the use or disclosure of protected health information that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate’s use or disclosure of protected health information.

Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose protected health information in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth set forth in paragraphs (e) and (f) above under “Permitted Uses and Disclosures By Business Associate.”

Term and Termination

(a) Term. The term of this Addendum shall be effective as of _____ [**insert effective date**], and shall terminate on _____ [**insert termination date or event**], or on the date Covered Entity terminates for cause as authorized in paragraph (b) of this section, whichever is sooner.

(b) Termination for Cause. Business Associate authorizes termination of this Addendum by Covered Entity, if Covered Entity determines Business Associate has violated a

material term of the Addendum and Business Associate has not cured the breach or ended the violation within the time specified by Covered Entity.

(c) Obligations of Business Associate upon Termination.

Upon termination of this Addendum for any reason, Business Associate, with respect to protected health information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

1. Retain only that protected health information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
2. Return to Covered Entity or, if agreed to by Covered Entity, destroy the remaining protected health information that Business Associate still maintains in any form;
3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this section, for as long as Business Associate retains the protected health information;
4. Not use or disclose the protected health information retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set forth in paragraphs (e) and (f) above under “Permitted Uses and Disclosures by Business Associate,” which applied prior to termination; and
5. Return to Covered Entity or, if agreed to by Covered Entity, destroy the protected health information retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

(d) Survival. The obligations of Business Associate under this section shall survive the termination of this Addendum.

Miscellaneous

(a) Regulatory References. A reference in this Addendum to a section in the HIPAA Rules means the section as in effect or as amended.

(b) Amendment. The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law. All amendments to this Addendum shall be in writing and signed by both parties through a formal amendment to the Addendum.

(c) Interpretation. Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA Rules.

(d) Indemnification.

1. Business Associate agrees to indemnify, defend and hold harmless Covered Entity and its respective officers, directors, board members, elected and appointed officials, employees, agents and authorized representatives from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, fines, penalties, and expenses (including, but not limited to, reasonable attorneys' fees of counsel retained by Covered Entity, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with any act or omission (including, but not limited to, any material breach of this Addendum) of Business Associate and its respective officers, directors, agents, employees, subcontractors of any tier, or authorized representatives.

2. With respect to any action or claim subject to indemnification herein by Business Associate, Business Associate shall, at its sole cost, have the right to use counsel of its choice, subject to the approval of Covered Entity, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim only with the prior consent of Covered Entity, which shall not be unreasonably withheld; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Business Associate's indemnification to Covered Entity as set forth herein. Business Associate's obligation to defend, indemnify and hold harmless Covered Entity shall be subject to Covered Entity having given Business Associate written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Business Associate's expense, for the defense or settlement thereof. Business Associate's obligation hereunder shall be satisfied (if Covered Entity has no liability whatsoever for the claim) when Business Associate has provided to Covered Entity the appropriate form of dismissal relieving Covered Entity from any liability for the action or claim involved.

3. The specified insurance limits required in the Underlying Agreement shall in no way limit or circumscribe Business Associate's obligations to indemnify, defend and hold harmless Covered Entity herein from third party claims arising out of or in any way relating to this Addendum.

4. In the event there is a conflict between this indemnification clause and the indemnification clause contained in the Underlying Agreement, this indemnification clause shall only apply to the subject issues set forth in this Addendum.

(e) Injunctive Relief. Covered Entity retains all rights to seek injunctive relief to prevent the unauthorized use of disclosure of protected health information by Business Associate or any agent, contractor or third party that received protected health information from Business Associate.

(f) Third Party Beneficiary. Unless otherwise set forth herein, nothing contained herein is intended, nor shall it be construed, to create rights running of the benefit of third parties.

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EXHIBIT C
DEFINITIONS AND TERMS

In addition to Kern County Master Terms and Conditions in Exhibit “B,” the proposer must agree to accept and abide by the following definitions and terms, both during the proposal submission and in negotiating the final agreement with the County.

1. Definitions

- **“Average Wholesale Price”** or **“AWP”** means the average wholesale price for a drug as determined by Medi-Span, including supplements thereto, as of the date the drug was dispensed using the 11 digit National Drug Code (NDC) number provided by the dispensing pharmacy. PBM uses a single source for determining AWP and updates the AWP source file at least once weekly.
- **“Brand Name Drug”** means single or multisource brand drugs which are classified as a brand drugs, based upon indicators provided by an nationally recognized pricing source and denoted in the Multi-source Code field as “M”, “N”, and “O”.
- **“Claim”** means: (a) a contractual payment request submitted by a Participating Pharmacy dispensing one or more prescription drugs and transmitted in accordance with the electronic transaction standards set forth in 45 CFR Parts 160, 162 and 164, as amended from time to time; or (b) a direct member reimbursement Claim submitted by a Participating Pharmacy, another provider, an Participant or such Participant’s representative in connection with one or more prescription drugs dispensed to such Participant.
- **“Client’s Custom Network Rates”** means the network of retail pharmacies and rates defined by Client, or a third party on behalf of the client, that the PBM agrees to load in its entirety. The PBM remains responsible for the accuracy of Client’s Custom Network Rates in PBM’s systems. These predefined network pharmacies become the “Participating Pharmacies” through the course of the agreement. Without explicit instructions, no other pharmacies will be added to the retail network.
- **“Formulary”** means the PBM Formulary developed, maintained and amended from time to time, by PBM's Pharmacy & Therapeutics Committee using evidence-based evaluation criteria for safety and efficacy in accordance with URAC standards, and, when applicable, CMS standards, and all standard clinical programs, including but not limited to prescribing guidelines such as prior authorization, step therapy, quantity level limits, which are hereby adopted by Client in their entirety. PBM may modify the Formulary from time to time upon 60 days advance notice and subject to Client’s approval, as a result of factors described above and when new therapeutic agents become available. Final decisions on the Formulary for Client’s plan shall be made by Client.
- **“Generic Drug”** means a drug that is therapeutically equivalent (identical in strength, concentration, and dosage form) to a Brand Name Drug, that generally is

made available when patent protection expires on the Brand Name Drug and that is classified as a generic drug, whether identified by its chemical, proprietary, or nonproprietary name provided by Medi-Span's National Drug Data File and denoted in the Multi-source Code field as "Y".

- **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, and regulations promulgated thereunder, as amended from time to time.
- **"Implementation Date"** means April 1, 2025 or such other date as the Parties mutually agree in writing that PBM shall begin to provide PBM Services to Client.
- **"Limited Distribution Medications"** means Prescription Drugs that are limited or exclusive product availability based off the manufacturers distribution agreements. Products typically require specialized product handling and/or administration requirements. Limited Distribution medications are included in specialty drugs.
- **"MAC List"** means the list of non-specialty Generic Drugs designated by the PBM for which reimbursement to a pharmacy shall be paid according to the applicable MAC price established by PBM. A copy of the MAC List shall be provided to the Client quarterly, as well as, upon request. The MAC List will produce the lowest unit cost on average for non-specialty Generic Drugs.
- **"Mail Order Pharmacy"** means a pharmacy where prescriptions are filled and delivered to Participants via the United States Postal Service, United Parcel Service or other delivery service, and which has entered into an agreement with PBM to dispense Prescription Drug Services to individuals including Participants.
- **"Participant"** means any individual who is, or becomes, eligible for and covered by any of Client's Plans during the term of this Agreement.
- **"Participating Pharmacy"** means a pharmacy, which has entered into an agreement with PBM under which it has agreed to provide prescription drug services to Participants.
- **"Pass-Through"** means that all Rebates and retail network discounts are provided to Client, in accordance with the term below, and PBM does not retain any Rebates or any other revenue or direct financial benefits from drug manufacturers or retail network pharmacies.
- **"PBM Services"** means those services provided by PBM to Client under this Agreement as specifically set forth in Section 2 below.
- **"Plan"** means any health care benefit plan that includes Prescription Drug Services and is offered Client, except as provided below. Unless agreed by the parties in an amendment or addendum to this Agreement, a Plan shall not include: (1) Medicare Advantage Prescription Drug Plans and Prescription Drug Plans under Medicare Part D, (2) a Medicaid state plan or Consumer Driven Health Plans (CDHP), (3) any other Federal Health Care Program as defined by 42 U.S.C. 1320a-7b(f) or federal or state pharmaceutical assistance program unless such Plan (a) receives payments pursuant to a risk contract under Section 1903(m) of the Social Security Act, (b) is a qualified

retiree prescription drug plan that meets the requirements of 42 C.F.R. § 423.882 or (c) is a Hospice even though the Hospice may receive per diem payments from a federal or state health program, as the Hospice is at financial risk, or (4) any benefit plan offered through a state or federally facilitated exchange established under PPACA..

- **“Plan Design Profile”** means the benefit summary document prepared by PBM in conjunction with Client and approved in writing by Client, including specifics on prescription medication coverage, limitations or exclusions, tier structure, cost-sharing requirements, and any conditions associated with the PBM Services, which is used by PBM in processing prescription drug Claims in connection with this Agreement. The Plan Design Profile shall not include any amendments except as provided under this Agreement.
- **“PPACA”** means the Patient Protection and Affordable Care Act and the Health Care Education and Reconciliation Act of 2010 and their accompanying regulations, as amended from time to time.
- **“Practitioner”** means a physician or other health care provider authorized to prescribe medication to Participant.
- **“Prescription Drug Services”** means the prescription drug services or supplies that are covered by the Plan as reflected in the Plan Design Profile.
- **“Prior Authorization”** means a prospective review to verify that certain criteria required by Client are satisfied for specific Prescription Drug Services prior to processing the claim for such Prescription Drug Services.
- **“Rebates”** means all revenue, including but not limited to base, formulary, incentive, and market share rebates, manufacturer administrative fees, data fees, aggregate utilization rebates (i.e., “book of business”), educational payments, information sales, specialty rebates, price protection, and all other revenues, including group purchasing organization (GPO) considerations, or discounts received by PBM pursuant to a contract with a pharmaceutical manufacturer, and directly attributable to the Formulary and Prescription Drug Services utilization by Participants.
- **“Single-Source Generic”** means certain Generic Drugs, not a Brand Name Drug, with fewer than two competing manufacturers and other particulars, such as new-to-market generics and authorized generics during the exclusivity period and adjudicated based upon Client’s benefit designation. Under no circumstances, for the purpose of measuring guarantees or any other measurement will single source generics be considered a Brand Name drug.
- **“Specialty Pharmaceuticals”** means those biotech and other Prescription Drug Services identified as specialty pharmaceuticals from time to time. A then-current list of Specialty Pharmaceuticals may be obtained at any time by contacting PBM.

- **“Specialty Pharmacy”** means a pharmacy that has entered into an agreement with PBM to dispense Prescription Drug Services including Specialty Pharmaceuticals to Participants.
 - **“Usual and Customary”** or **“U&C”** means the usual, customary and reasonable amount a Participating Pharmacy would charge to a cash paying customer for same strength, quantity, and dosage form of a covered drug, as of the date the prescription is filled. In the event the pharmacy U&C falls below the participant copay, the participant will pay that amount and no more.
 - **“Zero-Balance Claims”** means those Brand Name Drug or Generic Drugs where the PBM calculated discounts are less than the member copay.
2. Rates - [Proposer’s discounts and pricing guarantees would follow]
 3. Eligibility File - The proposer will accept and load at least twice weekly, from Kern County, an electronic 834 file that will be the authority for Member eligibility for the prescription benefit plan(s).
 4. The following will be included in the final agreement to provide for independent claims auditing by the County’s designee:

Claims Audit. 100% of all claim transactions for prescriptions filled through proposer will be audited by an independent third party, at the direction of County and upon thirty (30) days prior notice to proposer and not during the months of December or January, to ensure the fee charged for each filled prescription is equal to or less than the published Average Wholesale Price, minus the discounts noted herein. Additionally, each claim will be audited for compliance with the program’s step-therapy programs, plan limitations, plan general exclusions, utilization review protocol and other plan provisions. The scope of an audit will be limited to Member claims adjudicated in the Agreement year immediately preceding the year in which the audit is conducted for the limited purpose of verifying proposer’s compliance with the terms of this Agreement. County acknowledges that it shall not be entitled to audit documents, in whole or in part, that proposer is barred from disclosing by law or pursuant to an obligation of confidentiality to a third party. All information and records reviewed pursuant to this section shall be considered confidential information for purposes of this Agreement. No third party may be allowed or designated to conduct an audit without an executed nondisclosure agreement with proposer. Further, the County’s auditor shall not be an individual or entity that is: a competitor of Proposer, a pharmaceutical manufacturer representative, or any retail, mail or specialty drug pharmacy representative or vendor.

Proposer will pay from the administrative fees paid to Proposer by County an audit fee of \$0.50 per Net Paid Claim audited as described above. Proposer shall pay the consulting fee to Alliant Insurance Services, Inc. for the term of this Agreement, including subsequent renewals, so long as Alliant Insurance Services, Inc. performs the audits described above. Proposer shall cease paying Alliant Insurance Services, Inc. the auditing

fee if, County informs Vendor, in writing, that Alliant Insurance Services, Inc. is no longer performing the audits on the County's behalf. Notwithstanding anything in this Section or this Agreement to the contrary, proposer shall have no obligation to pay any fee or commission of any kind to any person in excess of the audit fee referenced above, and shall be entitled to reduce said fee to the extent there is any reduction in the administrative fee paid to proposer by County.

Any charges which were paid in error as a result of this audit will be refunded to the County based upon the final audit report in accordance with the terms agreed upon by the parties.

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EXHIBIT D

LIST OF CURRENT PLAN BENEFITS

COVERED BENEFITS

- Generic medications
- Brand medications – All Plans have Dispense as Written (DAW) penalty if generic is available
- Diabetes Program (must include “Generic” or no-cost tier for all items)
 - Blood Glucose Meters (1 per year, then PA)
 - Diabetic Supplies, including test strips
 - Insulin
 - Insulin Syringes
 - Insulin Injecting Devices
 - Glucagon – Autoinjection (3 at a time, 6 per year, then PA)
- Epi-Pen / Epi-Pen Jr. – Autoinjection (3 at a time, 6 per year, then PA)
- Federal Legend Vitamins
 - Prenatal / Pediatric
 - Preventative ACA standard coverage
- Contraceptives/Diaphragms/Emergency Contraceptives (Preventative ACA standard)
- Immunizations (Preventative ACA standard)
- Compounds (one ingredient must be Legend) -participation in compounding program
- Sexual dysfunction drugs (limit of 6 pills per month)
- Aerochamber, aerochamber with Mask, Nebulizer Masks
- 90-day supply at retail for transplant and HIV maintenance medications

PBM - PRIOR AUTHORIZATION

- Testosterone (males over age 18) – Criteria through our medical utilization management
- Botox – Criteria through our medical utilization management
- Lost, spilled, stolen medication
- GLP-1 Drugs – PA Customization may be requested.
- Blood Products
- Growth Hormones
- ADHD drugs (over age 18)
- Injectable medications (including testosterone, migraine, and cosmetic drugs)
- Specialty Oral
- Hemophilia products

EXCLUSIONS

- Investigational Drugs / Off-Label Use
- Weight Loss
- Gene Therapy
- Fertility Agents (Injectable and Oral)
- Nutritional Supplements
- Homeopathic Products
- Testosterone (for females and for males under the age of 18)
- Pregnancy termination drugs
- Diagnostics/Biologicals
- Compounds
- In-patient services
- Workers' Compensation

EXHIBIT E

FORMS AND TECHNICAL SPECIFICATIONS

A. INTENT TO BID FORM

By **Friday, August 16, 2024**, complete this form and email to: mmolica@kerncounty.com

Plan Sponsor Name: Kern County

Proposer Name: _____

We confirm receipt of your request for proposal and will take the following action:

Proposer Contact Name: _____

Proposer Contact Telephone No. _____

Signature: _____

Date: _____

B. RFP-REQUIREMENTS

1. Corporate Agency Profile Summary

When responding to Section II.D.2 of the RFP, please complete and submit this form with your proposal.

Legal Name of Organization	
Date Founded	
Business Entity Type as requested in Section II D.2	
Contact Person’s Name	
Local Kern County Vendor as defined in Section I.D.2 Address:	
Name of Authorized Contact	
Address	
City/State	
Phone Number	
E-mail Address	
Fax Number	
Website	

2. Cost of Service – Rate Quotation Form

When responding to Section II.D.7 of the RFP, please complete and submit the following form(s) with your proposal, as applicable. Please provide your enrollment assumption, underwriting requirements, and the detailed benefits description that apply to these rates.

All rates should be quoted on a per employee/subscriber basis, except for implementation fees.

Per employee/subscriber or rates should not stipulate the number of enrollees or require adjustment contingent upon fluctuations in enrollment (i.e. with a reduction in enrollment of 10% rates will increase by \$2.00, etc).

Rates should be all-inclusive for administrative services. All pharmacy benefits management services provided in relation to performance under the contract must be included in the per employee/subscriber rates.

Note that, as consultants to the County, both The Segal Company and Alliant Insurance Services, Inc. may be asked to provide pricing comparisons or other analysis and will have complete access to the bids received.

Please provide pricing responses that meet the following criteria:

- Brand Drugs as identified by Medi-Span drug data file or other nationally recognized source. No proprietary or custom vendor coding of brands will be allowed. Brand drugs can be single source or a multi-source, but will have a brand designation. No generic drug will be referred to as a brand for any purposes.
- Generic Drugs as identified by Medi-Span drug data file or other nationally recognized source. No proprietary or custom vendor coding of generics will be allowed. Generic drug pricing guarantees will include single source generic drugs.
- Single source generic drugs will not be considered brands and will be part of the generic minimum guarantees.
- Compound drugs are excluded from coverage.
- Zero Balance claims are those claims (brand/generic) that the member will pay the copay or less, with a zero balance due from the client. These claims are not pharmacy submitted usual and customary claims, but rather vendor contracted discounts with the retail or mail network that fall at or below the member copay. For the purposes of the guarantee, the PBM will be allowed take credit for the discount to the amount of member copay only.
- Usual and Customary claims. These are claims where the retail or mail order pharmacies submitted usual and customary charge is less than the copay and less than the contracted amount between the vendor and the pharmacy. These claims will be excluded from the overall brand and generic guarantees.

- Administration fees. These fees will be paid to the vendor on a per employee/subscriber per month (PEPM) basis based off Kern's monthly eligibility file. No claim reversals or rejections or duplicates will be paid an administration fee by the client.
- Rebates will be bid 100% on both a qualifying three-tier program as well as a two tier program. This includes Mail Order, Retail, and Specialty claims (including LDDs). The bid will be based on 100% of rebates on a per brand claim basis. There will be a minimum guarantee. Assume a grandfathering period of six months which can not affect minimum guarantees.
- Specialty claims discounts will be handled within the specialty class.
- Biosimilar discounts will be handled within the specialty class.
- Unless specifically stated above, the vendor cannot utilize any other form of savings from other clinical programs, generic utilization improvements, or DUR savings.
- All discounts must be submitted as a discount off of AWP. Please state source of AWP. For clarification purposes, the rates quoted are to be post AWP settlement.
- In addition to ingredient cost discount guarantees for retail, mail and specialty drugs, no individual generic drug charge to the plan and plan participants at any retail network pharmacy, mail order or specialty pharmacy will exceeds 50% of the cost of the mean claim charge of all pharmacies used by the plan for that same drug and dosage per day supply, across all channels for each year that the contract is in effect.
- All proposed rates are minimum guarantees. No offsetting guarantees. Each distinct pricing guarantee (including rebates) will be measured and reconciled on a component (e.g., retail brand, retail generic, mail order brand, mail order generic, and specialty) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by the County.

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2-A. FINANCIAL OFFERING - National Network

ITEM	Year 1	Year 2	Year 3	Comments
Retail Brand				
Retail All In Generic Minimum Guarantee ¹				
Dispensing Fee Brand				
Dispensing Fee Generic				
Retail 90 Brand				
Retail 90 All In Generic Minimum Guarantee ¹				
Dispensing Fee Brand				
Dispensing Fee Generic				
Mail Brand				
Mail Service All In Generic Minimum Guarantee Rate				
Dispensing Fee Mail				
Specialty Pharmacy * <i>*if blended please state in this table. If per drug, please attach pricing schedule</i>				
Dispensing Fee Specialty				
Administration Fee <i>(per employee per month)</i>				
Rebates (per brand Rx)				
3 Tier Retail				
3 Tier Mail				
3 Tier Specialty				
Rebates (per brand Rx)				
2 Tier Retail				
2 Tier Mail				
2 Tier Specialty				
Other Costs/Fees Not Stated Above				

Including single-source generics.

Authorized Signature

Title

Name of Company

Date

3. Cost of Service – Performance Penalties

When responding to Section II.D.7 of the RFP, please complete and submit the following form(s) with your proposal.

All guarantees shall be set and measured quarterly and annually, and must have the ability to measure performance separately based on its experiences with the chosen PBM. Measurement of performance guarantees may be based on internal self-reporting, subject to independent audit.

Please provide flat dollar (\$) performance guarantee amounts. Indicate the amount you are willing to place at risk for each item listed in the table below. In addition, you may provide other guarantees designed to differentiate your program.

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
Implementation				
Clean Implementation	No systems errors, ID card delays, and Kern County online access to all tools prior to effective date			
Implementation Timeline	Implementation team will be assigned and introduced to Kern County at least 6 months in advance of effective date			
Implementation Team	Implementation team members will not change and will be responsible for the accurate installation of all administrative, clinical and financial parameters for Kern County’s program			
Implementation Satisfaction Scorecard	Assigned Account Executive will work with Kern County prior to the start of implementation to agree on terms of a satisfaction scorecard to be issued to Kern County after effective date for completion			
Payment Accuracy & System Performance				
Protected Health Information	PBM guarantees no incidents in violation of HIPAA Security Rules which results in a transmission of electronic PHI for Kern County’s covered members			
Plan Administration Accuracy	Implementation of all plan design changes will be 100% accurate			

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
Pricing Change Accuracy	Implementation of all pricing changes will be 100% accurate			
Financial accuracy (electronic and paper claims)	Percentage of claim payments made without error relative to the total dollars paid will be at least 99%			
Mail Service Non-Financial Accuracy	The mail service pharmacy shall guarantee dispensing accuracy of at least 99.995% (correct participant name, correct participant address, correct drug, correct dosage form, and correct strength)			
System Downtime	At least 99.5% access to its systems by all the retail pharmacies in PBM's network 24 hours a day, 7 days a week, 365 days a year			
Invoicing Errors	All invoicing errors will be credits back to Kern County by next billing cycle or PBM will pay interest			
Claims Eligibility Data	Eligibility loads not to exceed 24-hours after receipt			
Eligibility Data Error Reporting	Eligibility file error reporting on all eligibility file updates will be provided to Kern County within 2 business days			
Eligibility Error Rate Audits	Error rate identified through quarterly audits shall not exceed, on an average basis, 2%			
Retail Pharmacy Audit	PBM will perform an on-site audit of 3% or more of their retail pharmacies which dispense greater than 500 claims a year			
Retail Pharmacy Turnover	Less than 5% of retail pharmacies will leave the retail network			
Claims Detail File	All claims detail files sent to external vendors will be provided within 8 days of request or scheduled delivery date			

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
Account Management				
Client Approval of Member Communications	100% of all member communications will be approved by Kern County – exceptions for drug recalls and urgent patient safety communications			
Delivery of Standard Reports	Within 30 days of end of reporting quarter			
Accuracy of Standard Reports	All standard reports provided will be 100% accurate			
Pharmacy Audit Resolution	Response to audit findings within 30 days after receipt of audit results or claims			

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
PBM Account Team's Performance	Kern County may assess a penalty after the first Contract Year and each successive Contract Year, Kern County's benefits staff do not rate PBM account team's performance for such Contract Year an average of 3 or better on a scale of 1 to 5 (5 being the best based on a range of performance criteria agreed to between the Kern County and the PBM at the beginning of such Contract Year)			
Account Management Turnover	Account team members will remain constant for at least the first 18 months of the contract period, unless a change in account management staff is requested by Kern County			
Client Satisfaction Performance	Kern County will receive an annual survey to be sent to County designated benefits team which should be sent 90 days at the close of the year.			
Member Services				
Mail Turnaround – Prescriptions not requiring intervention	95% of prescriptions dispensed within average of 2 business days and 100% within average of 3 business days			
Mail Turnaround – Prescriptions requiring intervention	95% of prescriptions dispensed within average of 4 business days and 100% within average of 5 business days			
Paper Claims Turnaround	95% of prescriptions reimbursed within average of 10 business days and 100% within average of 14 business days			
ID Cards Mailing	98% of all ID cards are sent within 5 business days of receipt of eligibility. 100% mailed within 10 business days.			
Mailing Member Materials	All applicable member materials (for example, mail order forms) will be mailed at least 10 days prior to the effective date and will be 100% accurate (provided that eligibility file was received at least 30 days prior to the effective date).			

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
Phone Average Speed of Answer	100% of calls to Kern County - specific toll free line shall be answered within 20 seconds (excluding IVR)			
Phone Abandonment Rate	All calls to Kern County -specific toll free line shall be answered with an abandonment rate of 3% or less			
Written Inquiry Answer Time	95% of inquiries responded to in 5 business days – 100% in 20 business days			
Member Satisfaction Survey	The PBM agrees to conduct a Member Satisfaction Survey for each contract year and that the Satisfaction Rate will be 90% or greater. A penalty may be assessed against the PBM for failure to meet this standard. “Member Satisfaction Rate” means (i) the number of Eligible Persons responding to PBM annual standard Patient Satisfaction Survey as being satisfied with the overall performance under the Integrated Program divided by (ii) the number of Eligible Persons responding to such annual Patient Satisfaction Survey; Kern County must provide timely approvals and responses, and a minimum of 20% of surveys must be returned for the Performance standard to be applicable.			
Issue Resolution: Verbal Inquiries	PBM will resolve 99% of all telephone issues at the first point of contact (the number of telephone inquiries completely resolved at the time of initial contact divided by the total number of calls)			
Issue Resolution: Written Inquiries	PBM will resolve 98% of all written inquiries within 10 business days of receipt of inquiry			
Issue Resolution: Kern County’s Staff Involvement / Escalation	PBM will resolve member issues within 48 business hours for any case that required the involvement of Kern County’s staff due to incorrect or incomplete information being provided by the PBM. If not			

	Standard	Measurement Criteria (BOB or Client specific)	Penalty Dollars at Risk	Timing of Payments
	resolved within 48 hours, a penalty will be applied per case, up to an annual maximum.			

C. PROPOSAL QUESTIONNAIRE

General Requirements and Questions for All Proposers

When responding to Section II.D.6 of the RFP, please complete and submit the following questionnaire as supplementary material to your proposal. Proposals that do not include a completed questionnaire will be considered incomplete and may not be considered. Each question must be answered specifically and in detail. Please do not provide lengthy responses. Reference should not be made to a prior response, or to your contract, unless the question involved specifically provides such an option. Be sure to refer to the entire RFP before responding to any of the questions, so that you have a complete understanding of all of the requirements with respect to the bid.

If you are proposing more than one plan and your response varies for different plans, please make sure you answer them specifically for each plan.

QUESTIONNAIRE**C-A. General Information**

1. Please comment on any planned, potential, or publicly announced changes in ownership structure that may be occurring within your organization. Describe any impact, both positive and negative, that this change may have on the County. If your company is responding to this RFP in combination with any other vendors, such as strategic alliances or outsourced services, please describe those relationships, the operational structure, source of accountability to the County and the legal architecture behind the relationship.
2. Please outline and describe the nature of any business relationships, partnerships, or co-ownerships currently in place with pharmaceutical manufacturers or retail pharmacies. Does your organization have any ongoing responsibilities, financial, strategic or otherwise, that are a result of these ties to the pharmaceutical manufacturers or pharmacies? If so, describe these responsibilities in detail.
3. Please provide your company's employer client references meeting the following requirements:
 - Three current clients
 - Any clients who have terminated within the last 24 months for reasons other than client mergers and acquisitions
 - One employer who has concluded an audit within the past 24 months
4. Please confirm that the County has rights and authority to conduct an independent audit of claims (appropriate claim pricing, correct benefit load, etc.), administration and other fees, and rebates from your organization with unfettered discretion in choosing the auditor, and that your organization will agree to fully cooperate with any such requests.
5. Have any lawsuits been filed against your company by a current or former customer within the last five years concerning the administration of Rx benefit plans, including but not limited to allegations of improper drug mix manipulation and/or unauthorized formulary rebate withholds? If so, please provide the facts and disposition of the case(s). (*We recognize that it is not appropriate for you to comment on pending litigation and furthermore do not expect you to comment on such pending litigation*).

C-B. Account Management / Member Services

1. Describe the Roles and Responsibilities of the Account Management team (e.g. day-to-day operational account manager, account director, eligibility specialist, member services manager, implementation specialist and clinical pharmacist).
2. Describe the tools (Internet and other) that are available to members and Client.

C-C. Customer Service

1. What are the days and hours of your customer service department and what is the location of your proposed call center?
2. Do you provide automated interactive telephone customer service? If yes, please describe the menu available to callers. What is the percentage of calls handled by interactive vs. human voice?
3. Please describe the ability, if any, for the CSRs to override clinical or other edits?
4. Provide a sample report of phone statistics you tabulate and provide the key statistical results for 2023. Are your phone statistics validated by outside auditors or are they self-reported?
5. What language alternatives (besides English) are available to callers? How are alternative language calls handled?
6. Describe Web-based tools available to members (particularly for purposes of viewing claims and eligibility). Do these tools include drug price comparisons for members, net of co-pays?
7. Briefly describe your appeals process. Is there a cost associated with this?
8. Will you have customer service personnel (including Mail Order and Specialty Pharmacy) dedicated exclusively to servicing Kern County members?
9. Briefly describe your problem resolution and escalation procedures.

C-D. Administration**1. Claims Processing and System Capabilities****a.) Claims Processing System**

- i.) Provide a brief description of your claims processing system and general capabilities.
- ii.) Do you require that the Client follow your predetermined prior authorization and step therapy processes, or can they use what they currently have in place?
- iii.) Does your system accommodate coverage of OTC drugs? Are the fees for OTC transactions priced different than other transactions?

b.) System Access

- i.) Describe how your company will provide initial training to clients' staff accessing the system. Is there an additional charge for training?

ii.) What is your procedure for setting up users in the system?

c.) Paper Claims

i.) What was your 2023 turnaround time for processing paper claims from a member?

ii.) What is the frequency of sending out payments to the member?

2. Benefits

a.) Describe what is required to set up a new benefit design/plan. What is the average length of time it takes to set up a new design? Will you guarantee the accuracy and timing of the set up.

b.) Can you accommodate co-payments or co-insurance unique to a class of medications and/or supplies (e.g. diabetic supplies)? Describe your ability to handle unusual benefit designs.

c.) Do you have a non-covered drug discount program whereby the member pays 100% of the discounted price? If so, describe the program, including any fees paid by the employer and the benefits that inure to the member.

3. Eligibility

a.) Describe how immediate eligibility updates will be handled.

b.) The County currently produces an 834 format internally and distributes it to the vendors twice a week. We have attached a sample of this format to the RFP. Confirm that you can work with this format. Are your file layout requirements flexible?

c.) Through the batch eligibility process, what edits are in place that would stop eligibility from processing (e.g. invalid birth date)? What types of reports are generated? Who reviews those reports?

d.) Provide an example of what the member's ID card will look like, including all of the required data elements. A combination medical and pharmacy card is required. Can these cards reflect the primary care physician chosen by the member? Are there limitations? Are there any added expenses for this? Have you experienced limitations with combination cards?

4. Billing

a.) How frequently do you invoice participating groups and what grace period do participating groups have before payment is required? Please identify invoice methods (hard copy, electronic).

- b.) We require that electronic claims paid detail be provided to Alliant Insurance Services, Inc. and Segal each month. Can you submit a standard NCPDP claims extract? Can you provide the County a similar extract in excel? Are there additional charges for this?
- c.) How are rejected claims indicated on the claims detail? What information would be provided for rejected claims in your claim detail file? What is the historical ratio for rejected claims?
- d.) Please identify client payment arrangement options.

5. Conversion Process and Timelines

- a.) Describe your action plan for program implementation of the County’s prescription benefit business. For purposes of this evaluation only, please assume an implementation timeframe of one hundred twenty (120) days. The action plan should describe each key action step, the organization responsible, and start/stop dates. Please indicate specific functions that would be the responsibility of the client.
- b.) What financial assistance would you be willing to offer to Kern County to cover costs incurred for transitioning to your company? Please provide what expenses are reimbursable under such credits, how they are paid and what documentation is required for such expense reimbursement.

C-E. Clinical Programs/Utilization Management/Business Model

1. Formulary Program and Business Model

- a.) Please describe your proposed drug formulary strategy, including the formulary name and description (open, managed, exclusionary, etc.). Please provide a formulary disruption analysis based on your 2024 formulary utilizing the data provided from the County. How frequently do additions and deletions occur? How do you evaluate drugs for possible inclusion on the formulary?

- b.) Describe how you will implement your formulary. Will you require a complete transition to your formulary, some portion of it, or will no change be required?
- c.) Describe any programs you utilize to minimize member disruption due to formulary change.
- d.) Confirm that you will maintain economic neutrality for the County in the event that new pricing algorithms are employed that do not utilize Average Wholesale Price as the preferred benchmark for determining pricing.
- e.) Describe the process you use to notify a member that he/she is taking a drug that has been removed from the formulary.
- f.) Will you allow the County to determine the coverage status of new drugs or drug categories that come to market, and providing rebate modeling?

2. Generic Programs

- a.) Describe your strategy for brand name drugs that go off patent. Do you treat them as generic during the six (6) month exclusivity period? Do you encourage therapeutic switches during this period?
- b.) What do you do to encourage members to use generic medications? What specific programs would you implement (recommend) for the customer?

3. Drug Utilization Review (DUR) Programs

- a.) Describe the capabilities, procedures, and cost savings associated with your Prospective DUR Program.
- b.) Describe the capabilities, procedures, and cost savings associated with your Concurrent DUR Program. Address the specifics of your online edit parameters.
- c.) Describe the capabilities, procedures, and cost savings associated with your Retrospective DUR Program. Note any intervention procedures utilized with members, pharmacies, and prescribers.
- d.) What DUR Programs are included in your per-claim cost? What DUR Programs incur additional charges or fees for the administration of your DUR Programs? If charges are based on an ad hoc basis, how are they calculated?
- e.) Identify any compound management programs you have.

5. Other Clinical Programs

- a.) Describe any clinical programs you offer that will help the County obtain maximum value from their pharmacy benefit and minimize future trend. Indicate whether these programs are included in the standard fee structure or result in additional fees. If they result in additional fees, please include a fee schedule.
- b.) Describe the various chronic conditions which you can support and how your programs have assisted with member outcomes and minimized pharmacy trend. Indicate which programs have a fee and the structure of the program associated with the chronic condition.

C-F. Pharmacy Network Administration

1. Network Overview

- a.) How many total retail pharmacies are in your proposed pharmacy network?
- b.) Please confirm that your organization uses Medi-span as the source for your drug pricing. Do you ever utilize a different source as the basis of determining your brand pricing? Please note that for the purposes of this bid, Medi-Span will be required.
- c.) Describe how your adjudication system addresses different package sizes at the pharmacy and how we are assured best pricing. Can you block repackagers?

2. Network Auditing

- a.) The successful proposer will be required to administer a complete, comprehensive audit program that will include both desk and on-site audits. The PBM will be required to manage the audit and compliance programs for the network(s).
- b.) Describe the results of your pharmacy audit programs. Indicate the amount of recoveries relative to total claims expense. Are all recoveries passed on to the client or is a portion retained by the PBM? If so, what is the methodology employed by the PBM for determining the retained portion?

3. Mail Order Pharmacy Benefits

- a.) Provide a comprehensive description of your mail service benefit operations. Please include information on the site that will service us, any back-up sites, hours of operations, and performance statistics.
- b.) Provide a detailed description of how the member interacts with the mail order pharmacy including initial orders, refills, notifications, and status tracking.
- c.) Describe programs in place to maximize the value of the mail order benefit for the Client and any intervention programs employed.
- d.) Describe how prescribers interact with the mail order pharmacy.
- e.) If your mail service pharmacy receives a prescription for a day-supply that is less than ninety (90) days (e.g. a thirty (30) day supply), do you call the physician and request that the prescription be changed to a ninety (90) day supply? And if not, why not? (e.g. do you verify the reason as to why the original prescription was for less than a ninety (90) day supply?) In addition, if you dispense a quantity less than ninety (90), do you ever charge a co-payment that is less than the ninety (90) day supply co-payment?
- f.) Please provide assurance that there will be no postage fees associated with mailing the prescriptions and that employee payment options include credit card, check and bill later options.
- g.) Describe how your facility handles backorders or short supply specific to GLP-1s.

4. Reporting Capabilities and Samples

- a.) Please confirm that you will provide electronic paid claims files to Kern County, The Segal Company, and Alliant Insurance Services, Inc., on a monthly basis at no additional cost. Assume business associate agreements have been signed.
- b.) Please confirm that you will provide the monthly reporting that is defined in this RFP, at no charge to the client.
- c.) How many levels of reporting hierarchy can you accommodate?
- d.) Will client be able to access standard and ad hoc reports online? Please provide a copy of your standard claims reporting package and the timing of these packages.
- e.) Do you allow clients to perform their own data analysis/query? What is your preferred mode of connectivity for reporting? Is there a cost associated with this?
- f.) Are you willing to provide an annual, semi-annual or quarterly notification (EOB) to members regarding drug usage and cost? Is there a cost associated with this service?

5. Specialty Pharmacy Program

- a.) Please describe the specialty vendor (if it is not owned and operated by the PBM) unless this was described under the General Information heading.
- b.) What is your average delivery time?
- c.) Will the PBM agreement require that we use your specialty vendor or can that be carved out separately, either initially or later in the contract?
- d.) Describe any clinical services offered by your specialty vendor beyond distribution and the costs, if any, of such services.
- e.) Describe how limited distribution drugs are handled if the PBM does not have the contract of the medication at their specialty pharmacy.
- f.) How are member inquiries handled? How is information regarding complaints shared with your clients?
- g.) Describe your distribution back-up system, including on-site and off-site facilities and procedures used to ensure timely delivery, proper handling and security of medications/products delivered.
- h.) Describe any client and/or patient assistance programs that you have in place to offset plan/member cost for specialty drugs.
- i.) Please provide a comprehensive list of specialty pharmaceuticals that your company is capable of dispensing and distributing to health care providers and employees/dependents and the corresponding discounts off AWP for each product. Please note whether those discounts are guaranteed and what period the guarantee covers.
- j.) Please confirm that you will negotiate with the County and offer competitive pricing and rebate arrangements for all new Specialty Drugs to market, based on the County's willingness to accept the PBM's Clinical Programs and Formulary placement of the new Specialty Drug. Describe how that process will be managed.