

**SERIAL 13121 RFP WORKER'S COMPENSATION PHARMACY BENEFIT MANAGER SERVICES**

**DATE OF LAST REVISION: February 06, 2014 CONTRACT END DATE: February 28, 2017**

**CONTRACT PERIOD THROUGH February 28, 2017**

TO: All Departments  
FROM: Office of Procurement Services  
SUBJECT: Contract for **WORKER'S COMPENSATION PHARMACY BENEFIT MANAGER SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **February 06, 2014**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Chief Procurement Officer  
Office of Procurement Services

AS/ua  
Attach

Copy to: Office of Procurement Services  
Pauline Hecker, Risk Management



## CONTRACT PURSUANT TO RFP

**SERIAL 13121 -RFP**

This Contract is entered into this 6th day of February, 2014 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Integrated Prescription Solutions, a California corporation ("Contractor") for the purchase of workers compensation prescription benefit management services.

### 1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of three (3) years, beginning on the 6th day of February, 2014 and ending the 28th day of February, 2017.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of three (3) years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least thirty (30) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

### 2.0 FEE ADJUSTMENTS:

Any request for fee adjustments must be submitted sixty (60) days prior to the current Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

### 3.0 PAYMENTS:

- 3.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A."
- 3.2 Payment shall be made upon the County's receipt of a properly completed invoice.

### 3.3 INVOICES:

- 3.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:
  - Company name, address and contact
  - County bill-to name and contact information
  - Contract serial number
  - County purchase order number
  - Invoice number and date
  - Payment terms
  - Date of service
  - Contract Item number(s)

- Description of Purchase (services)
- Individual prescription claims
- Administrative fees and/or any other costs and charges specified
- Pricing per unit of Service
- Extended price
- Total Amount Due

3.3.2 Problems regarding billing or invoicing shall be directed to the County as listed on the Purchase Order.

3.3.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.3.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

#### 3.4 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

3.4.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

#### 3.5 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

3.5.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract

#### 4.0 AVAILABILITY OF FUNDS:

4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.

4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

**5.0 DUTIES:**

- 5.1 The Contractor shall perform all duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.
- 5.2 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

**6.0 TERMS and CONDITIONS:**

**6.1 INDEMNIFICATION:**

- 6.1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.
- 6.1.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County

**6.2 INSURANCE:**

- 6.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.
- 6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.
- 6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.
- 6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.
- 6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

- 6.2.6 County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.
- 6.2.7 The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- 6.2.8 The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.
- 6.2.9 Commercial General Liability:
- Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$3,000,000 for each occurrence, \$5,000,000 Products/Completed Operations Aggregate, and \$5,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
- 6.2.10 Automobile Liability:
- Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.
- 6.2.11 Workers' Compensation:
- 6.2.11.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.
- 6.2.11.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.
- 6.2.12 Errors and Omissions Insurance:
- Errors and Omissions insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions of the Contractor, with limits of no less than \$2,000,000 for each claim.
- 6.2.13 Certificates of Insurance.
- 6.2.13.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with valid and complete certificates of insurance, or formal

endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.13.1.1 In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

6.2.13.1.2 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

6.2.14 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

6.3 WARRANTY OF SERVICES:

6.3.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.

6.3.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

6.4 INSPECTION OF SERVICES:

6.4.1 The Contractor shall provide and maintain an inspection system acceptable to County covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as the Contract requires.

6.4.2 County has the right to inspect and test all services called for by the Contract, to the extent practicable at all times and places during the term of the Contract. County shall perform inspections and tests in a manner that will not unduly delay the work.

6.4.3 If any of the services do not conform with Contract requirements, County may require the Contractor to perform the services again in conformity with Contract requirements, at no increase in Contract amount. When the defects in services cannot be corrected by re-performance, County may:

6.4.3.1 Require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and

6.4.3.2 Reduce the Contract price to reflect the reduced value of the services performed.

6.4.4 If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, County may:

6.4.4.1 By Contract or otherwise, perform the services and charge to the Contractor any cost incurred by County that is directly related to the performance of such service; or

6.4.4.2 Terminate the Contract for default.

6.5 PROCUREMENT CARD ORDERING CAPABILITY:

The County may determine to use a MasterCard Procurement Card, to place and make payment for orders under the Contract.

6.6 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Office of Procurement Services  
ATTN: Contract Administration  
320 West Lincoln Street  
Phoenix, Arizona 85003-2494

For Contractor:

Integrated Prescription Services  
Attn: Ms. Candace Nolan  
3190 Airport Loop Drive, Suite A Costa  
Costa Mesa, CA 92626

6.7 REQUIREMENTS CONTRACT:

6.7.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when County identifies a need and issues a purchase order or a written notice to proceed.

6.7.2 County reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The County will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.

6.7.3 Purchase orders will be cancelled in writing.

6.8 ORDERING AUTHORITY.

6.8.1 Respondents should understand that any request for purchase of materials or services shall be accompanied by a valid purchase order, issued by Office of Procurement Services, or by a Certified Agency Procurement Aid (CAPA).

6.8.2 Maricopa County departments, cities, other counties, schools and special districts, universities, nonprofit educational and public health institutions may also purchase from under this Contract at their discretion and/or other state and local agencies (Customers) may procure the products under this Contract by the issuance of a purchase order to the Respondent. Purchase orders must cite the Contract number.

6.8.3 Contract award is in accordance with the Maricopa County Procurement Code. All requirements for the competitive award of this Contract have been met. A purchase order for the products is the only document necessary for Customers to purchase and for the Respondent to proceed with delivery of materials available under this Contract.

6.8.4 Any attempt to represent any product not specifically awarded under this Contract is a violation of the Contract. Any such action is subject to the legal and contractual remedies

available to the County, inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Respondent.

**6.9 TERMINATION FOR CONVENIENCE:**

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

**6.10 TERMINATION FOR DEFAULT:**

6.10.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

6.10.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.

6.10.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.

6.10.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

**6.11 TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate the Contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of a substantial violation of any provision of this Contract, then the County may terminate the Contract. Prior to termination of the Contract, the County shall give the Contractor fifteen- (15) calendar day's written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

**6.12 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

**6.13 OFFSET FOR DAMAGES;**

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

**6.14 ADDITIONS/DELETIONS OF SERVICE:**

6.14.1 The County reserves the right to add and/or delete materials to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.14.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

**6.15 RELATIONSHIPS:**

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the District and the Contractor.

**6.16 SUBCONTRACTING:**

6.16.1 The Contractor may not assign a Contract or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

6.16.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**6.17 AMENDMENTS:**

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

**6.18 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:**

6.18.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

6.18.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and

document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

6.18.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future claim submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

6.19 PUBLIC RECORDS:

All Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection after Contract award and execution, except for such Offers deemed to be confidential by the Office of Procurement Services. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential, the specific information and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.20 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

6.21 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

6.22 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

6.23 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

6.24 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

6.24.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all

employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

- 6.24.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.23.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

6.25 **CONTRACTOR LICENSE REQUIREMENT:**

- 6.25.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.
- 6.25.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

6.26 **CERTIFICATION REGARDING DEBARMENT AND SUSPENSION**

- 6.26.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:
- 6.26.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;
- 6.26.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 6.26.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.26.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

6.26.2 Should the Contractor not be able to provide this certification, an explanation as to why should be attached to the Contract.

6.26.3 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

6.27 PRICES:

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

6.28 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.29 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

6.30 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct, may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

6.30.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,

6.30.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

6.31 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

6.31.1 Exhibit A, Pricing;

6.31.2 Exhibit B, Scope of Work;

6.31.3 Exhibit B-1 (Vendor Response from RFP)

**IN WITNESS WHEREOF**, this Contract is executed on the date set forth above.

**CONTRACTOR**

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
DATE

**MARICOPA COUNTY**

\_\_\_\_\_  
CHIEF PROCUREMENT OFFICER,  
OFFICE OF PROCUREMENT SERVICES

\_\_\_\_\_  
DATE

**ATTESTED:**

\_\_\_\_\_  
CLERK OF THE BOARD

\_\_\_\_\_  
DATE

**APPROVED AS TO FORM:**

\_\_\_\_\_  
LEGAL COUNSEL

\_\_\_\_\_  
DATE

EXHIBIT A

PRICING

SERIAL 13121-RFP  
 NIGP CODE: 27176  
 COMPANY NAME: Integrated Prescription Solutions  
 DOING BUSINESS AS (DBA) NAME: Integrated Prescription Solutions (IPS)  
 MAILING ADDRESS: 3190 Airport Loop Drive, Suite A Costa  
Costa Mesa, CA 92626  
 REMIT TO ADDRESS: 3190 Airport Loop Drive, Suite A  
Costa Mesa, CA 92626  
 TELEPHONE NUMBER: (866) 846-9279  
 FACSIMILE NUMBER: 949-271-4621  
 WEB SITE: www.ipsusa.com  
 REPRESENTATIVE NAME: Candace Nolan  
 REPRESENTATIVE PHONE NUMBER: cnolan@ipsusa.com  
 REPRESENTATIVE E-MAIL:

	<u>YES</u>	<u>NO</u>	<u>REBATE</u>
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
PAYMENT TERMS: RESPONDENT IS REQUIRED TO PICK ONE OF THE FOLLOWING. PAYMENT TERMS WILL BE CONSIDERED IN DETERMINING LOW BID. FAILURE TO CHOOSE PAYMENT TERMS WILL RESULT IN A DEFAULT TO NET 30 DAYS.			
<input type="checkbox"/> NET 10 DAYS	<input type="checkbox"/> NET 45 DAYS	<input type="checkbox"/> 1% 10 DAYS NET 30 DAYS	
<input type="checkbox"/> NET 15 DAYS	<input type="checkbox"/> NET 60 DAYS	<input type="checkbox"/> 2% 30 DAYS NET 31 DAYS	
<input type="checkbox"/> NET 20 DAYS	<input type="checkbox"/> NET 90 DAYS	<input type="checkbox"/> 1% 30 DAYS NET 31 DAYS	
<input checked="" type="checkbox"/> NET 30 DAYS	<input type="checkbox"/> 2% 10 DAYS NET 30 DAYS	<input type="checkbox"/> 5% 30 DAYS NET 31 DAYS	

**1.0 PRICING:**

	<u>PREFERRED NETWORK</u>	<u>SECONDARY NETWORK</u>	
1.1 Retail			
1.1.1 AWP Less Discount	<u>n/a</u> %	<u>AWP-10B</u> % <u>AWP-30G</u>	Price Attachment A-7* Pricing must follow Attachment A.7 per ARS 32-1963.01
1.1.2 Rebate on ALL prescriptions	<u>\$ n/a</u>	<u>\$ n/a</u>	Per Prescription
1.1.3 Acquisition Cost	Price Attachment A-7*		
1.1.4 Dispensing Fee	<u>\$ n/a</u>	<u>\$ 3.50</u>	Per Prescription
1.2 Specialty Drugs Pricing			
1.2.1 AWP Less Discount	<u>AWP-10B</u> %		Price Attachment A-7*
1.2.2 Rebate on ALL Prescriptions	<u>AWP-30G</u> <u>\$ n/a</u>		Per Prescription
1.2.3 Acquisition Cost	Price Attachment A-7*		
1.2.4 Dispensing Fee	<u>\$ 3.50</u>		Per Prescription
1.3 Infusion Drugs Pricing			

1.3.1 AWP Less Discount	<u>TBD</u> %	Price Attachment A-7*
1.3.2 Rebate on ALL Prescriptions	<u>Based on Product \$ n/a</u>	Per Prescription
1.3.3 Acquisition Cost	Price Attachment A-7*	
1.3.4 Dispensing Fee	<u>\$5.00</u>	Per Prescription
1.4 Injectable Drugs Pricing		
1.4.1 AWP Less Discount	<u>TBD</u> %	Price Attachment A-7*
1.4.2 Rebate on ALL Prescriptions	<u>Based on Product \$ n/a</u>	Per Prescription
1.4.3 Acquisition Cost	Price Attachment A-7*	
1.4.5 Dispensing Fee	<u>\$5.00</u>	Per Prescription
1.5 Generic Drugs		
1.5.1 Total number of Generic Drugs on MAC (See Section 3.20.5)	<u>1650</u>	MAC LIST
1.5.2 Guaranteed OVERALL discount on generic drugs	<u>30</u> %	
1.6 DME Equipment discount percentage	<b>AZ Medicare Rate +10%</b>	Off price list OR Retail Price Price Attachment

**EXHIBIT B****SCOPE OF WORK****1.0 INTENT:**

It is the intent of Maricopa County to contract with a Pharmacy Benefit Manager (PBM) to provide workers compensation prescription benefit management services described in section 2.0 of this document. This RFP shall include Pharmacy and Durable Medical Equipment (DME). It is the expectation that the successful contractor shall be able to provide Preferred Networks.

**2.0 SCOPE OF WORK:**

- 2.1 CONTRACTOR shall provide workers compensation prescription benefit management services described in this proposal and/or as otherwise mutually agreed to by the parties in writing, including, but not necessarily limited to, general support and consultative services regarding pharmacy benefit design and implementation, network and rebate management, administrative and claims processing services, standard reporting packages, marketing, customer service, quality management and utilization management functions. In addition, CONTRACTOR may develop and implement certain additional clinical intervention and cost-saving (e.g. voluntary tablet splitting) programs that may be desired by the County, subject to terms and conditions to be agreed in writing between the parties. CONTRACTOR shall manage the current pharmacy benefit plan designs for future innovative plan designs, Notwithstanding the foregoing or any termination rights set forth, CONTRACTOR may immediately terminate or refrain from implementing any clinical program services in any geographic area (in their entirety or for specific drugs only) if, in Contractor's sole determination, the implementation or continued provision of such services is or may be in violation of applicable laws, rules, or regulations governing the practice of pharmacy or prescription benefits management, or may otherwise present an issue related to the practice of pharmacy or prescriptions benefits management.
- 2.2 CONTRACTOR, as the authorized prescription benefit manager, shall perform rebate sharing and other clinical services described herein. These services will include, but not necessarily limited to, prior authorization, step-therapy, systematic prospective, concurrent and retrospective drug utilization review and other measures that are deemed appropriate to effectuate program management. Accordingly, County authorizes CONTRACTOR, as its prescription benefit manager, to perform formulary management and other services described herein.
- 2.3 With regard to billing, CONTRACTOR shall invoice the County following the close of each monthly billing cycle. Such invoices shall include, but not necessarily be limited to, individual prescription claims, administrative fees and/or any other costs and charges specified in the agreement. CONTRACTOR shall pay claims independently for services provided by Pharmacies; provided that CONTRACTOR has no obligation to make such payments until applicable funds have first been received from County.
- 2.4 Contractor's Clinical Pharmacist and Account Manager shall work with the County in Contractor's commitment to satisfy the County's reporting needs. This will include but not necessarily be limited to standard management reports, provider profiling and analysis (e.g., identifying drug patterns), ad hoc reporting needs and cost-controlling methods.
- 2.5 The following relates to Contractor's commitment of providing support personnel, and general onsite educational assistance throughout the term of the contract
  - 2.5.1 Maricopa County shall have a dedicated, mutually agreed upon, CONTRACTOR within Maricopa County; Pharmacy consultant will be the County's key clinical pharmacist and strategist.
  - 2.5.2 Maricopa County shall have a dedicated local CONTRACTOR Account Manager, who will be the point of contact for Maricopa County.

2.5.3 Local CONTRACTOR Account Manager shall correspond with Maricopa County's Risk Management Workers' Compensation Department regarding service issues through the County's Contact Relationship Manager (CRM) case documentation system. The CONTRACTOR shall pay for the number of licenses needed to service the County.

2.6 Reporting:

2.6.1 CONTRACTOR shall report number and dollar amounts of claims processed each month on a summary and detail level by plan and account structure. Report shall be received by Maricopa County by the 5<sup>th</sup> of the following month.

2.6.2 CONTRACTOR shall report monthly, and year-to-date utilization reports totals of: top 100 drugs by number of prescriptions filled and by cost; generic, single-source brand and multi-source brand dispensing rate and average ingredient costs; cost details (plan, member and total, PMPM and PEPM, average ingredient cost, dispensing fee, average discount percentage, and generic efficiency). Report shall be received by Maricopa County by the 5<sup>th</sup> of the following month.

2.6.3 CONTRACTOR shall provide an annual utilization and trend report including overall and plan- level performance analysis and recommendations for improvements. Report must also include analysis of customer complaints and appeals. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year.

2.6.4 CONTRACTOR shall provide annually a SAS70 Audit Report and other reports as required by the County's annual internal and/or external auditor. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year.

2.6.5 Contractor must be able to interface with Risk Master Software to include the following data interface (at minimum) at no additional cost to the County agency:

2.6.5.1 Claim File

2.6.5.2 Vendor File

2.6.5.3 Payment File

2.6.5.4 Contractor must be able to post reports compatible with Hyland Software Virtual Printer.

2.6.6 CONTRACTOR shall provide quarterly performance guarantee metrics, **to** be documented by **County and** CONTRACTOR on an annual basis July 15<sup>th</sup> of each year.

2.7 Claims Processing:

2.7.1 CONTRACTOR shall agree to have data utilization edits in place that identifies and denies duplicate claims, claims filed too soon, claims requiring authorization when such authorization is not in place, as well as messages to the pharmacist for review and approval or denial of the claim due to safety issues.

2.8 Customer Service:

2.8.1 CONTRACTOR shall provide customer service staff that are fully trained on Maricopa County's Pharmacy plan.

2.8.2 Maricopa County prefers a dedicated customer service team available during the hours of 7 AM to 6 PM. such team will have thorough training in the County's Pharmacy plan designs.

2.9 Implementation Plan:

2.9.1 CONTRACTOR will provide annually, a detailed implementation plan with mutually agreed upon tasks assignments, **including a fee to offset costs. (Attachment A)**. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> each year.

2.9.2 CONTRACTOR must comply with the Industrial Commission of Arizona Pharmacy Fee Schedule for Arizona per A.R.S. § 32-1963.01 (**Attachment A-7**)

2.10 Education Support:

2.10.1 CONTRACTOR shall provide Maricopa County with an array of educational material and web- based tools that will help educate employees that require their service on where to obtain prescriptions and how they are covered (See Attachment A, Pricing). The tool(s) must also provide alternative suggestions for more cost-effective medication within the same therapeutic class.

2.11 NETWORK:

With regard to the actual dispensing process involving the contracted providers in Contractor's network, services will be provided to Members upon the following terms and conditions:

2.11.1 Pharmacy shall attempt to dispense generic equivalent drugs in lieu of prescribed brand name drugs if commercially available, meet quality (industry) rating standards, and if consistent with the prescriber's orders and the dispensing pharmacist's professional judgment and state and federal law.

2.11.2 PREFERRED NETWORK:

2.11.2.1 It is expected that PBM will propose a preferred network of retail pharmacies where the County will receive a greater discount from Average Wholesale Price (AWP).

2.11.3 SECONDARY NETWORK:

2.11.3.1 The County shall require a network that includes the maximum number of retail pharmacies.

2.11.4 Performance Guarantees

2.12 SPECIALTY DRUGS:

2.12.1 CONTRACTOR shall provide a cost-effective Specialty Pharmacy Program with either centralized distribution or multi-channel distribution that is national, convenient, consistent and flexible. Specialty pharmaceuticals are generally high-cost medications that are usually prescribed for people with complex or chronic medical conditions, i.e., multiple sclerosis, hemophilia, hepatitis, and rheumatoid arthritis. Medications typically exhibit one or more of the following characteristics: are injected or infused, however some may be taken orally; have unique monitoring, storage or shipment requirements; require additional education and support from a health care professional; and are usually not available at retail pharmacies.

2.12.2 The Program must have developed services to meet the unique challenges of dispensing and monitoring these medications. The Program must provide cost-effective care and positive patient outcomes through increased adherence, as well as provide an enhanced patient experience through the convenience of scheduled delivery, disease management programs and compliance monitoring employing a care-coordination model. In care coordination, licensed clinicians (nurses, pharmacists, and physicians) provide

comprehensive clinical management services. Clinical professionals support patients with education, training and mental health support (e.g., behavioral health, case management or disease management referral). The plan of care will address education, interventions, compliance, monitoring parameters, and goals and outcomes of therapy. Non-adherence or non-compliance and the rationale must be communicated to the prescribing physician.

- 2.12.3 The Program must contain provisions addressing preferred specialty medications and biosimilars.

2.13 PHARMACEUTICALS:

- 2.13.1 The Pharmaceutical Fee Schedule applies to prescription medicines (drugs) required to treat an injured employee, whether the medicine is dispensed by a pharmacy or dispensed by a physician. Medicines dispensed by either a pharmacy or physicians are subject to this Fee Schedule located at the following website: [http://www.ica.state.az.us/Director/DIR\\_FSList2013.aspx](http://www.ica.state.az.us/Director/DIR_FSList2013.aspx)
- 2.13.2 Generic drugs shall be dispensed to workers' compensation claimants when they are available and as provided in A.R.S. § 32-1963.01, subsections A and C through K<sup>1</sup> For purposes of this Section, the definitions found in A.R.S. § 32-1963.0 apply.
- 2.13.3 Reimbursement for prescription medicines shall be based on the medication dispensed, <sup>2</sup> including a brand name drug that is dispensed as provided in A.R.S. § 32-1963.01. <sup>3</sup>
- 2.13.4 Reimbursement for prescription medicines shall be based on this fee schedule in the absence of a contractual agreement between the pharmacy and payer governing reimbursement. Network discounts may not be applied in the absence of a contractual agreement with the pharmacy authorizing such discounts.
- 2.13.5 Reimbursement for injectable drugs requires a provider to identify the injectable drug given through the use of an accepted industry identifier, such as the applicable NDC code, to enable the payer to make the appropriate payment.
- 2.13.6 As another cost reducing measure, the Commission is asking the medical community to voluntarily prescribe less costly drugs whenever possible.
- 2.13.7 Whether dispensed by a pharmacy or dispensed by a physician, the dispensing fee per prescription shall be seven dollars (\$7.00).

<sup>1</sup> Arizona Revised Statute § 23-908(C) states, in part, that if the schedule of fees for prescription medicines includes provisions regarding the use of generic equivalent drugs, those provisions shall comply with section 32-1963.01, subsections A and C through K.

<sup>2</sup> Subsection K of A.R.S. § 32-1963.01 provides, in part, as follows:

<sup>1</sup> "Brand name drug" means a drug with a proprietary name assigned to it by the manufacturer or distributor.

<sup>3</sup> "Generic equivalent" or "generically equivalent" means a drug that has an identical amount of the same active chemical ingredients in the same dosage form, that meets applicable standards of strength, quality and purity according to the United States pharmacopeia or other nationally recognized compendium and that, if administered in the same amounts, will provide comparable therapeutic effects. Generic equivalent or generically equivalent does not include a drug that is listed by the federal food and drug administration as having unresolved bioequivalence concerns according to the

administration's most recent publication of approved drug products with therapeutic equivalence evaluations.

3Subsection A of A.R.S. § 32-1963.01 provides: "If a medical practitioner prescribes a brand name drug and does not indicate an intent to prevent substitution as prescribed in subsection D of this section, a pharmacist may fill the prescription with a generic equivalent drug." Subsection D of A.R.S. § 32-1963.01 provides: "A prescription generated in this state must be dispensed as written only if the prescriber writes or clearly displays "DAW", "Dispense as written", "do not substitute", "medically necessary" or any statement by the prescriber that clearly indicates an intent to prevent substitution on the face of the prescription form. A prescription from out of state or from agencies of the United States government must be dispensed as written only if the prescriber writes or clearly displays "do not substitute", "dispense as written" or "medically necessary" or any statement by the prescriber that clearly indicates an intent to prevent substitution on the face of the prescription form."8. Reimbursement for prescription medicines shall be based on a discount from "average wholesale price" (AWP). Average wholesale price is the AWP established by a wholesaler that sells that brand name or generic drug to a pharmacy. For a repackaged or compounded drug, this would be the AWP of the underlying drug product used in the repackaging or compounding. If information pertaining to the original labeler of the underlying drug product is not provided or unknown, then discretion is vested in the payer to select the AWP to use (as published in the nationally recognized pharmaceutical publication designated by the Commission) when making payment for the repackaged or compounded drug. For purposes of this Section, AWP shall be determined as follows:

Except as provided below (in this subsection), AWP shall be determined on the date a drug is dispensed from pricing published in the most recent issue, as updated in the most recent update, of a nationally recognized pharmaceutical publication designated by the Commission.

An entity responsible for payment of prescription drugs may select the following as an alternative to the foregoing if the selection is made no later than October 1st of each year. This selection shall be communicated in writing to the Commission and remain in effect until the following October 1st: AWP shall be determined on the date a drug is dispensed from pricing published in the most recent issue, as updated quarterly, of the publication designated by the Commission. For purposes of this paragraph, quarterly means the first day of the month on January, April, July and October.

The Commission shall post on its website at <http://www.ica.state.az.us/> (under the fee schedule link of its home page) the name of the nationally recognized pharmaceutical publication designated by the Commission to determine AWP. The Commission has selected Medi-span for the 2012/2013 Fee Schedule.

Reimbursement for prescription medicines shall be based the following formulas:

- a. Generic drugs: 15% discount from the average wholesale price.
- b. Brand name drugs: 5% discount from the average wholesale price

## 2.14 INFUSION THERAPY:

- 2.14.1 Proposer may propose a separate Specialty Infusion Program that features cost containment and cost avoidance to reduce and manage inappropriate utilization of services, decrease cost drivers associated with location of care, and identify cost-effective, convenient, coordinated care. The program must improve member health and well-being by providing access to accurate, objective and relevant healthcare information, improve member quality of life, and decrease absenteeism. The program must demonstrate a defined return on investment for the County and proven positive outcomes for members.

2.15 INJECTABLES:

2.15.1 Proposer may propose a program to manage the cost of injectable medication (including self- injectable and those administered in a physician's office or hospital) through the PBM. The program must demonstrate a defined return on investment for the County and proven positive outcomes for members.

2.16 DURABLE MEDICAL EQUIPMENT (DME) DISTRIBUTION:

2.16.1 Proposer shall propose a DME Program for DME available at a medical supply facility or retail pharmacy store where there is a defined return on investment for the County. This program shall include Equipment, Wound Care, Ostomy Supplies, Nebulizers, Respiratory Aids and Incontinence Supplies. This service should be able to be adjudicated through the pharmacy Claims.

## EXHIBIT B-1

## VENDOR RESPONSE

## 1. EXECUTIVE SUMMARY

Integrated Prescription Solutions (IPS) welcomes this opportunity to show Maricopa County the many ways we can enhance your Workers' Compensation Pharmacy Benefit Management Program and the health of injured workers. Our proposal demonstrates innovative and dynamic solutions that set us apart from our competitors by raising the level of program quality and providing you with a greater return on investment. These solutions have resulted in:

*IPS's sole focus is on Workers' Compensation. Our formularies, pharmacy network, technology, policies and procedures are all custom designed to meet the needs of Workers' Compensation programs.*

- An **average in-network discounted prescription capture rate** (also known as network penetration rate) **of more than 90% since 2003** and an **unprecedented capture rate of 98%** across our entire book of business throughout 2011 and 2012. While there are considerable differences of opinion regarding how network penetration is calculated, IPS calculates network penetration rate as the total number of in-network and out of network bills minus those bills that are not paid at discounted rates (physician dispensed bills).
- **Third party bills that amount to no more than 10% or less** of the overall pharmacy spend
- A **generic efficiency rate of 98%**. Each 1% increase in the generic dispensing rate equals a 1% decrease in gross drug spend.

IPS's *sole focus* is on the provision of Workers' Compensation Pharmacy Benefit Management (PBM) services. IPS understands that there are many moving parts within a worker's compensation claim. **We do not contract to provide PBM services for group health plans, and therefore, some of the requirements in this RFP may not be applicable to IPS.** IPS's formularies are exclusive to workers' compensation programs and include *injury-specific* medications. We have developed over 800 custom plan designs that range from drug class, generic only, down to a single medication for a claimant. We also provide evidenced-based formularies that include American College of Occupational and Environmental Medicine (ACOEM) body-part-specific formularies as well as Work Loss Data Institute's Official Disability Guidelines (ODG) "N" drug formulary. According to the International Association of Industrial Accident Boards and Commissions (IAIABC), the ACOEM and ODG closed formularies are among the most aggressive approaches for managing and controlling the use of Class II drugs.

Our network partnership with CVS/Caremark provides our clients with more than 65,000 network pharmacies nationwide, including 1,168 pharmacies in the State of Arizona. All of our pharmacies ***process workers' compensation prescriptions through a true Workers' Compensation network contract and rates.*** This relationship also enables IPS to offer an unprecedented and exclusive 90 day prescription fill program called ***CV90*** that no other PBM in the industry offers. ***CV90 allows workers with long-term injuries to get 90 day prescription fills at retail pharmacies with one dispensing fee at mail order rates.*** Clients who were unable to boost mail order usage beyond the traditional 2% due to regulatory issues are now able to reap mail order savings without impacting injured workers who prefer to go to their local pharmacies.

Furthermore, IPS's founders built state-of-the-art technology solutions that are exclusive to workers' compensation pharmacy benefit management and allow our clients to have more autonomy in controlling their prescription costs. Our technology is capable of being compatible with the Maricopa County's computer system, allowing for seamless transmission of electronic eligibility and claims data. IPS can build an interface to load all prescription claims data into the Maricopa County claims system to ensure that all claimant information is available in one system.

IPS can also meet Maricopa County's goal to improve patient care by the review of claims through an electronic billing system that allows for common drug utilization review (DUR) standards to be met at the point of sale. Our ***Concurrent Review at POS*** prevents early refills, provides alerts on drug-to-drug interactions and excessive dosage prescriptions, and prevents duplicate prescriptions. We also offer:

- ***Narcotic Profiling and Actionable Alerts*** by physician, by claimant, by drug type, etc.
- ***Prospective Review*** whereby only those medications allowed per formulary are actually dispensed and paid.
- ***Retrospective Review*** that identify interventions to improve quality of care

- **Generic Efficiency Rate.** IPS drives cost effective generic fills through its mandatory generic fill contract with its participating pharmacies resulting in the highest generic efficiency rate in the industry at 97.46%.
- **Formulary Management and Ability to Auto-Customize each Claimant's Formulary**
- **Peer to Peer Pharmacy Reviews** that ensure a peer to peer intervention with the treating physician **Physician Profiling** that allows our clients to gain a unique comparative look at the metropolitan statistical area of any claimant as well as a national perspective on like-physician prescribing patterns. This program helps our clients "red flag" prescribing patterns not consistent with cost containment program objectives.
- **Robust Analytics** that provide direct access to over 500 reports and the ability to customize reports to fulfill any USPS ad hoc report requests at no additional charge
- **Drug Screening** that provides pain medication monitoring for a wide range of drugs to help our clients make more informed decisions about medication use

IPS brings to the table policies, procedures and solutions that are in full compliance with applicable state statutes, rules and regulations pertaining to Workers' Compensation. More importantly, we bring process and technological innovations that separate us from larger companies that are bogged down by layers of management that make it difficult to get things done. We are proud to present these innovations and more to the Maricopa County.

## 2 TECHNICAL PROPOSAL

**2.1** CONTRACTOR shall provide workers compensation prescription benefit management services described in this proposal and/or as otherwise mutually agreed to by the parties in writing, including, but not necessarily limited to, general support and consultative services regarding pharmacy benefit design and implementation, network and rebate management, administrative and claims processing services, standard reporting packages, marketing, customer service, quality management and utilization management functions. In addition, CONTRACTOR may develop and implement certain additional clinical intervention and cost-saving (e.g. voluntary tablet splitting) programs that may be desired by the County, subject to terms and conditions to be agreed in writing between the parties. CONTRACTOR shall manage the current pharmacy benefit plan designs for future innovative plan designs, Notwithstanding the foregoing or any termination rights set forth, CONTRACTOR may immediately terminate or refrain from implementing any clinical program services in any geographic area (in their entirety or for specific drugs only) if, in Contractor's sole determination, the implementation or continued provision of such services is or may be in violation of applicable laws, rules, or regulations governing the practice of pharmacy or prescription benefits management, or may otherwise present an issue related to the practice of pharmacy or prescriptions benefits management.

IPS offers a full range of products and services for providing workers' compensation prescriptions to injured workers. These include, but are not limited to:

- **National Workers' Compensation Pharmacy Network** of 65,000 pharmacies, including 11,000 compounding pharmacies as well as more than 20,000 independently owned pharmacies. We also have five (5) mail order pharmacies that are geographically dispersed throughout the United States. Our pharmacy network in the State of Arizona includes 1,168 contracted pharmacies. A complete list of IPS's network pharmacies in the State of Arizona is included in **Attachment 1**.
- **Dynamic Clinical Program** built on the belief that Comprehensive Utilization Management is the key driver in pharmacy cost containment. IPS offers a comprehensive suite of DURs, including prospective, concurrent and retrospective reviews. We further provide a panel of 100 licensed physician reviewers in a variety of specialties who conduct peer-to-peer reviews with prescribing physicians when there are questions about medical necessity or medication management. Our Pharmacy and Therapeutics (P&T) Committee is another important component of our team and consists of physicians, pharmacists, and Pharm D providers (each holding a professional license in good standing) who act in an advisory capacity to our Medical Director and administration regarding issues involving medication therapy for injured workers. The committee is a critical component in the development and approval of formularies that will provide medically appropriate and cost-effective medications for patients. Our clinical program also includes:
  - **Customized Formularies** --IPS works with the client to determine a workers' compensation formulary and what prescriptions are appropriate for the treatment of any particular injury. For example, Maricopa County has the option of selecting pre-established drug classifications or pre-designed formularies, it can select multiple formularies, or it can establish its own medication specific formulary. Regardless of which

option Maricopa County selects, it can create a list of medications that are pre-approved both globally as well as at the claimant level.

- **Drug Screening**—Pain medication monitoring for a wide range of drugs to help our clients make more informed decisions about medication use
  - **Narcotic Profiling and Actionable Alerts** by physician, by claimant, by drug type, etc.
  - **Physician Profiling** gives our clients a unique comparative look at the metropolitan statistical area of any claimant as well as a national perspective on like-physician prescribing patterns. This program helps our clients “red flag” prescribing patterns not consistent with cost containment program objectives.
- **Strategies for Improving Network Penetration and Generic Efficiency Rates.** Drug discounts are only as good as the number of claims processed “in-network”. That is to say, all of the out-of-network claims won’t benefit from great pricing or effective clinical programs. Out-of-network claims cost payors hundreds of millions annually. Utilization management begins with improving network penetration. Realizing the importance of mitigating the sale of claims to third-party billers, which ultimately increases pharmacy costs for payors, IPS established a pharmacy network agreement that contains “prompt-pay” provisions and simplified processing for the pharmacy in exchange for contract language that prohibits the sale of our claims to third party billers, resulting in improved network penetration. In fact, IPS leads the industry with a network penetration rate of more than 90%---the average network penetration is approximately 76% according to industry experts. Adjudicating more in-network drug claims than anyone else enables IPS to make the best use of utilization review strategies and other clinical solutions that ensure appropriate drug therapies, improve patient outcomes and ultimately lower your costs. Our contract with participating network pharmacies also allows IPS increase the use of cost effective generic fills resulting in a generic efficiency rate of 98%.
 

*IPS guarantees a network penetration rate of more than 90% and also guarantees to reduce third party bills to less than 10% within 120 days of contract start-up.*
  - **TempRx™ Proprietary First Fill Solution** allows an injured worker to obtain up to a five (5) day fill according to the payor’s first fill formulary. Our “first fill” program features the *TempRx™* card, which can be produced via an on-line connection at the employer’s location at the time an injury is reported. The *TempRx™* card can also be emailed to the employee’s personal computer or Smartphone. The card will print with the employee’s name and has instructions for the pharmacy when presented with a prescription. The *TempRx™* program and card are formulary controlled and include a permanent drug card number for the claimant. There is no need to reconcile or tie the first fill with a permanent card, it is already in place. IPS captures the claimant specific data with the *TempRx™* and permanent card, therefore the pharmacy knows how to bill on day one.
  - **Prescription Drug Card Program.** IPS issues drug cards to active claimants with 24 hours of receiving electronic data for all injured workers who purchased prescriptions during the prior six month period. IPS accepts additions/deletions to this list electronically on a daily basis. Drug cards can be customized to client specifications, including display of the client’s logo.
  - **38 Customizable Client Workflow Operational Processes** through IPS state-of-the-art online technology solutions
  - **Real-time Eligibility and Formulary Management.** *MatRx™*, IPS’ proprietary web portal, allows adjusters to work in real-time with both IPS and our 65,000 retail pharmacies. When a new claim is manually entered, the drug card is set up per the client’s protocols including designated formulary and any other custom settings. *MatRx™* also allows an adjuster to modify a claimant’s information, deactivate a claim and tailor each claimant’s specific needs with respect to their pharmacy benefits
  - **Clinical Pharmacy Services Staff.** IPS has trained pharmacy technicians on staff to ensure quality and effective pharmacy assistance, assist with formulary development and provide unique care solutions on an individual claimant basis
  - **24/7 Customer Service Staff.** PS provides 24/7 customer service with “live” personnel answering the phones. Our call center is staffed with a Customer Service Supervisor and Customer Service Representatives (CSR), including a bi-lingual CSR on each shift who can speak both English and Spanish to meet the specific needs of the population

- **Third Party Bill Management.** The IPS program takes a proactive approach with direct pharmacy contacts to ensure the pharmacy has all of the claimant drug card information. When possible, the pharmacy may choose to correct the billing information and redirect the prescription back into the IPS discount program. Additionally, IPS's unique first fill solution "*Temp Card™*", along with the timely issuance of a permanent drug card, eliminates future out-of-network prescription expenses.
- **Performance Guarantees.** As a result of our success in improving network penetration and reducing Third Party Bills, IPS *guarantees our clients a network penetration rate of 90% or more.* We also **guarantee to reduce third party bills to less than 10% within 120 days of client start up.**
- **Robust Reporting.** We provide the tools that allow our clients to be more metric-driven, with access to reports that tell you where your drug dollars are going, show specific drug usage, identify unusual physician prescribing patterns, track and manage narcotic utilization, and help identify other targeted trends. Our reports can be mined in a variety of ways and customized to meet your specific requirements on an ad hoc basis at no additional cost. On-demand access to data about your plan performance is available on a 24/7/365 basis via our *MatRx™* online portal.

**2.2** CONTRACTOR, as the authorized prescription benefit manager, shall perform rebate sharing and other clinical services described herein. These services will include, but not necessarily limited to, prior authorization, step-therapy, systematic prospective, concurrent and retrospective drug utilization review and other measures that are deemed appropriate to effectuate program management. Accordingly, County authorizes CONTRACTOR, as its prescription benefit manager, to perform formulary management and other services described herein.

IPS does not participate in drug manufacturer rebate arrangements, and therefore does not offer rebate sharing to clients. IPS passes all savings to our clients.

**2.3** With regard to billing, CONTRACTOR shall invoice the County following the close of each monthly billing cycle. Such invoices shall include, but not necessarily be limited to, individual prescription claims, administrative fees and/or any other costs and charges specified in the agreement. CONTRACTOR shall pay claims independently for services provided by Pharmacies; provided that CONTRACTOR has no obligation to make such payments until applicable funds have first been received from County.

IPS generally bills clients on a weekly basis, however; we are willing to adhere to a monthly billing with Maricopa County. IPS pays all pharmacies within 15 days.

**2.4** Contractor's Clinical Pharmacist and Account Manager shall work with the County in Contractor's commitment to satisfy the County's reporting needs. This will include but not necessarily be limited to standard management reports, provider profiling and analysis (e.g., identifying drug patterns), ad hoc reporting needs and cost-controlling methods.

Michael McQuilken, Phar.D., R.Ph serves as IPS's Clinical Pharmacist and oversees our clinical pharmacy program. Dr. McQuilken will work with IPS's Maricopa County Account Manager, Candace Nolan, to ensure that all of the County's reporting needs are met on time and include the level of detail required by the County. IPS has a large suite of reports that are available at no additional charge on a monthly basis. Maricopa County can run reports through our *MatRx™* portal, for any time period where data is available.

Robust analytics provide the tools that allow our clients to be more metric-driven, with access to reports that tell you where your drug dollars are going, show specific drug usage, identify unusual physician prescribing patterns, track and manage narcotic utilization, and help identify other targeted trends. Our reports can be mined in a variety of ways and customized to meet your specific requirements on an ad hoc basis at no additional cost. On-demand access to data about your plan performance is available on a 24/7/365 basis via our *MatRx™* online portal. A complete description of IPS's reporting capabilities are provided in our response to Section 2.6 of this response.

**2.5** The following relates to Contractor's commitment of providing support personnel, and general onsite educational assistance throughout the term of the contract

**2.5.1** Maricopa County shall have a dedicated, mutually agreed upon, CONTRACTOR within Maricopa County; Pharmacy consultant will be the County's key clinical pharmacist and strategist.

IPS proposes that Michael McQuilken, Phar.D., R.Ph serve as Maricopa County's pharmacy consultant, key clinical pharmacist and strategist. Dr. McQuilken oversees the clinical pharmacy program at IPS. He holds a bachelor's degree from the University of Florida and a Doctor of Pharmacy Degree from the Mercer School of Pharmacy, based in Atlanta, Georgia. Dr. McQuilken completed his internship and residency at Emory Hospital and Emory School of Medicine. In addition, he is a workers' compensation executive with over twenty two (22) years of experience in sales, operations, pharmacy benefit management, contract negotiations, and formulary development. His experience also includes developing clinical programs, CE classes, and mail order pharmacy programs. Dr. McQuilken's services, within reason, will be provided at no charge.

**2.5.2** Maricopa County shall have a dedicated local CONTRACTOR Account Manager, who will be the point of contact for Maricopa County.

Candace Nolan, IPS's Western Area Vice President of Sales, has been assigned as the Account Manager for the Maricopa County Workers Compensation pharmacy benefit management and durable medical equipment program, and will serve as the Maricopa County's chief point of contact. Ms. Nolan lives in Denver, Colorado, in close proximity to the State of Arizona, which enables her to respond quickly and efficiently to Maricopa County's needs and to attend important onsite meetings with minimal travel time.

In support of Ms. Nolan and the Maricopa County program, IPS has also dedicated an operations team of contract implementation experts whose sole purpose is to guarantee a smooth and seamless transition with little or no disruption in services to injured workers and the County.

IPS's approach to contract implementation recognizes that continuity of service is vital to Maricopa County, and ensures no disruptions to systems, services, products, and/or personnel. We are highly experienced in implementation management, as demonstrated by past successful transitions.

Our implementation team consists of the assigned Account Manager for the Maricopa County program, the assigned Clinical Pharmacist, a Customer Service Lead and Project Review Associate, IT Director and Billing specialist.

**2.5.3** Local CONTRACTOR Account Manager shall correspond with Maricopa County's Risk Management Workers' Compensation Department regarding service issues through the County's Contact Relationship Manager (CRM) case documentation system. The CONTRACTOR shall pay for the number of licenses needed to service the County.

IPS's Account Manager, Candace Nolan, will correspond with Maricopa County's Risk Management Workers' Compensation Department regarding service issues through the County's Contact Relationship Manager (CRM) case documentation system. IPS will pay for the number of licenses needed to service the county.

## **2.6 Reporting:**

IPS's report portal provides our clients with access to up-to-date real-time data 24/7/365 via *MatRx™*. Many payors are confused when it comes to understanding the savings a PBM delivers, at IPS we are proud of our results and make the reports easy to understand. The following list represents a sampling of the standard reports that Maricopa County can generate from *MatRx™*.

- Standard Executive Summary Report
- Retail Pharmacy vs. Mail Order
- Brand vs. Generic Summary By Dollars
- Brand vs. Generic Summary By Scripts
- Drug Usage Report -- *This report has linkage to all claims that have processed for the drug name selected and includes the employer, prescriber, and pharmacy information.*
- Therapeutic Class – by Dollar Volume
- Therapeutic Class – by Scripts
- Top Drugs – by Dollar Volume -- *This report has linkage to all claims that have processed for the drug name selected and includes the employer, prescriber, and pharmacy information.*
- Top Drugs – by Scripts -- *This report has linkage to all claims that have processed for the drug name selected and includes the employer, prescriber, and pharmacy information.*
- Prescription Reversal Report
- Prescription bill review

- Electro-Medical / DME Summary
- Prescriber Report – by Dollar Volume
- Prescriber Report – by Scripts
- Bill Reversals
- Mail Order Conversion

**IPS High Risk Report:** Another report that is available to Maricopa County is IPS’ High Risk Report which provides details on the Top 25 Physicians and Claimants by Narcotic Spend, Total Spend, and Total Scripts Written. This report has linkage to all physicians and claimant details that make up the total narcotic spend, total spend and total scripts written.

<p><b>PHYSICIAN:</b></p>	<p>By Narcotics: This column shows the total narcotic dollar amount that was prescribed by a particular physician. You can select the linkage to drill down to a particular physicians narcotic spend report.</p> <p>By Total Spend: This column shows the total spend for all prescriptions by a particular physician. You can select the linkage to drill down to a particular physicians narcotic spend report.</p> <p>By Total Scripts Written: This column shows the total number of scripts written by a particular physician. You can select the linkage to drill down to a particular physicians total script detail report.</p>
<p><b>CLAIMANT:</b></p>	<p>By Narcotics: This column shows the total narcotic dollar amount that was dispensed for a particular claimant. You can select the linkage to drill down to a particular claimants narcotic spend report.</p> <p>By Total Spend: This column shows the total spend for all prescriptions dispensed for a particular claimant. You can select the linkage to drill down to a particular claimants narcotic spend report.</p> <p>By Total Scripts Written: This column shows the total number of scripts written for a particular claimant. You can select the linkage to drill down to a particular claimants total script detail report.</p>

IPS data analytics and robust reporting capabilities allow us to provide more than reports, including but not limited to.

- Monthly report of intercepts. This report shows, at a minimum, the instances where the Proposer “intercepted” a prescription due to unauthorized physician, where the drug was not related to injury, instances of generic substitution, excessive dosage, too early refill, or duplication of drug, and drug interaction.
- Report showing, by physician, all prescriptions written, and whether each prescription was filled with a brand name or generic, giving the percentage generic versus brand names dispensed. A related report will show the generic fill percentage for each pharmacy.
- Report showing prescriptions filled by drug class (the higher the class, the greater the potential for abuse) including physician name and claimant name with the Client’s claim number.
- Report showing claimants who have received three (3) or more prescriptions for the same drug or are receiving maintenance drugs. This will be used to monitor for claimants who should be using the mail order service and/or receiving prescriptions for a longer duration sixty (60) days, thus eliminating excessive dispensing fees.
- Drug use reports, including the top fifty (50) by number of prescriptions and by dollar amount.
- Drug use report by therapeutic class (anti-depressants, anti-inflammatory). This report will also indicate the top ten (10) most prescribed drugs for each therapeutic class and claimants who were prescribed two (2) or more different drugs in the same therapeutic class.

**Samples of IPS reports** can be found in **Attachment 3**.

2.6.1 CONTRACTOR shall report number and dollar amounts of claims processed each month on a summary and detail level by plan and account structure. Report shall be received by Maricopa County by the 5<sup>th</sup> of the following month.

IPS will provide a summary of the number and dollar amounts of claims processed each month to Maricopa County by the 5<sup>th</sup> of the following month.

2.6.2 CONTRACTOR shall report monthly, and year-to-date utilization reports totals of: top 100 drugs by number of prescriptions filled and by cost; generic, single-source brand and multi-source brand dispensing rate and average ingredient costs; cost details (plan, member and total, PMPM and PEPM, average ingredient cost, dispensing fee, average discount percentage, and generic efficiency). Report shall be received by Maricopa County by the 5<sup>th</sup> of the following month.

IPS will report monthly and year-to-date utilization reports totals of: top 100 drugs by number of prescriptions filled and by cost; generic, single-source brand and multi-source brand dispensing rate and average ingredient costs. This report will be submitted to Maricopa County by the 5<sup>th</sup> of the following month.

2.6.3 CONTRACTOR shall provide an annual utilization and trend report including overall and plan- level performance analysis and recommendations for improvements. Report must also include analysis of customer complaints and appeals. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year.

IPS will provide an annual utilization and trend report including an overall performance analysis and recommendations for improvements. This report will also include analysis of customer complaints and appeals, and will be submitted to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year.

2.6.4 CONTRACTOR shall provide annually a SAS70 Audit Report and other reports as required by the County's annual internal and/or external auditor. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year. IPS will provide a SAS70 Audit Report and other reports annually as required by the County's annual internal and/or external auditor. These reports will be submitted to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> of each year.

## **2.7 Claims Processing:**

2.7.1 CONTRACTOR shall agree to have data utilization edits in place that identifies and denies duplicate claims, claims filed too soon, claims requiring authorization when such authorization is not in place, as well as messages to the pharmacist for review and approval or denial of the claim due to safety issues.

IPS employs many data utilization edits through our Drug Utilization Review (DUR) Program. We take a proactive approach to the management of prescriptions at the point of sale where we address utilization, poly-pharmacy, over prescribing, formulary management and eligibility. IPS has many UR programs in place, all of which are customized to meet our client's needs. IPS uses over 150 real time edit checks to ensure all program parameters are met. Our system also automatically alerts pharmacists regarding:

- High doses of medications
- Narcotic notices
- Targets high cost behaviors
- Food and drug allergies
- Drug interactions
- Early refills
- Duplicate drug therapy
- Adherence to approved drug list or formulary
- Promotes the use of generic medications
- Physician case management (new IPS program offer)

IPS believes that DUR is a multi-pronged approach; therefore we have many prospective, concurrent and retrospective tools available that are based on reviewing the specifics of each claim and injured worker. We also have specific tools to address over utilization, including intervention from specialists trained in workers' compensation and narcotics abuse.

IPS can identify "at risk" injured workers for intervention based on multiple prescribers, escalating dosages or increasingly potent prescription patterns. We have several options for addressing these issues.

**Prospective Review:** By working with payors, IPS is able to establish a prospective program whereby only those medications allowed per formulary are actually dispensed and paid. Formularies can be established on a global scale for a payor and then customized at the claimant level according to injury type or claimant unique condition. IPS has developed over 800 custom plan designs that range from ODG, body part specific formularies, drug class, generic only, down to a single medication for a claimant. This proprietary prospective

UR tool allows clients the greatest level of customized formulary/eligibility management in the market today. Additional prospective utilization management tools include:

- **Dispense As Written Correspondence** – When a “Dispense As Written” (DAW) order accompanies a prescription, the payor is often left with little recourse for altering the physician’s direction. IPS allows the payor to request a letter through *MatRx™* that addresses the specific DAW medication with the prescriber and offers therapeutic equivalent alternatives that are available in a generic form. The DAW letter can be helpful to the prescriber in writing future prescriptions, thus reducing the overall cost of medications.
- **Letter of Medical Necessity** – A payor can sometimes find it difficult to determine how a medication is related to an occupational injury. IPS solves this issue by enabling an adjuster to request that a Letter of Medical Necessity (LMN) be e-faxed to a prescriber asking the prescriber to address the medication’s relationship to an occupational injury, as well as how long the prescriber anticipates the therapy to continue. When IPS receives the signed LMN back from the prescriber, we alert the adjuster that the LMN is available via *MatRx™*.
- **Therapy Duration/Compliance Tracking** – Information regarding how long a claimant has been taking a medication is not always readily available to an adjuster. IPS’ *YourWay™* tool allows adjusters to set specific automated alerts in *MatRx™* that will inform the adjuster of the claimant’s medication duration or the claimant’s non-compliance with a prescribed medication therapy. With these automated alerts, a payor can make more informed pharmacological care management decisions for their claimants.
- **Narcotic “Initial Prescription Auto Denial”** – When IPS notifies an adjuster that a pre-authorization is required for an “N” drug, we suggest a Physician/Pharmacy Review. This prospective UR review is designed to stem the tide of Opioid use and abuse in Workers’ Compensation. This review informs the payor that the move from a non-narcotic pain medication to a more dangerous and highly addictive drug is indeed medically necessary.
- **Physician Restriction Controls** – *Physician Select™*, our proprietary, web-based tool, allows an adjuster to specify which “authorized” physicians a claimant may use within the carrier’s Medical Provider Network. *Physician Select™* is a real-time, web-based tool that enables carriers and adjusters to restrict our Company’s drug card authorization to one or more specific physicians. This tool gives the carrier total control over pharmacy expenditures. Further, by giving authorized physicians a “presumption of correctness” for treatment recommendations, carriers are able to eliminate the expensive outsourced service of utilization reviews and their related expenses.
- **Price Cap on Prescriptions** – IPS also allows a “Price Cap” to be placed upon any claimant’s file or over the entire Default Formulary so that any prescription over a certain dollar amount is automatically denied and requires an additional authorization from the adjuster. This feature prevents a medication such as Actiq® from being dispensed for thousands of dollars when the classification of “Pain Control” is authorized for a claimant.
- **Mail Order Alert** – Through IPS’ *YourWay™* tool, each adjuster can customize preferences by claimant or globally to notify them by way of an email or Customer Service call that a claimant has received (1,2,3) months of refills and should be examined as a potential mail order conversion. Once assessed, IPS reaches out to the claimant and physician to coordinate the initiation of mail order services to the claimant. This saves payors significant expense over retail fulfillment and provides a convenience for the claimant.

**Concurrent (Point-Of-Sale) DURs:** IPS subjects each prescription fill to routine Drug Utilization Reviews (DURs) prior to fulfillment. The following edit checks are samples of some of those completed online in just 3 seconds:

- **Duplicate Drug Therapy** – IPS examines each prescription submitted and checks against any other drugs in the same class, and rejects the prescription if duplicates occur. This edit protects the participant from potentially over medicating.
- **Too Early Refill** – This edit prevents abuse, over medicating the participant, or stockpiling of a medication, all of which are unsafe and likely expensive to the payor. IPS examines the claim prescription number, the date of service and the days’ supply. If the claim is entered before, the allotted days’ supply

has run out, the claim is rejected and an appropriate message is displayed to the pharmacist, providing the reason for the reject, the prescription number, and the drug, quantity and date filled. The pharmacist can then verify the information and override only if appropriate.

- **Drug Dose Check/High Dose Alert** – IPS also refers to this edit as a MIN/MAX dose edit. This edit checks each prescription submitted for incorrect dosage, or excessive or questionable daily dosage. An appropriate message is sent back to the pharmacist, indicating the usual dosage for the prescribed medication. An internal database table has the recommended dosage listed for a specific drug. If the prescribed dosage exceeds that dosage, a reject message is returned to the pharmacist. The pharmacist may then verify the information and make any necessary changes. The pharmacist can also override the reject, exercising professional responsibility if the dosage is actually correct according to the prescribing physician.
- **Excessive or questionable average day's supply** – IPS also compares the submitted supply to the database parameters. If the number submitted exceeds the parameters, then the MIN/MAX dose edit is applied. This edit checks for excessive days' supply according to the recommended normal dosage, thus alerting the pharmacist to potential over usage of medications.
- **Duplicate Prescription** – All prescriptions are checked for the same pharmacy, drug date, and prescription number to prevent duplicate billing. This prevents any excess payments to the pharmacies or to the participant.
- **Drug-to-Drug Interaction** – IPS examines all known medications (in the *MatRx<sup>TM</sup>* database) currently being taken by the participant and then examines the new submittal, to see if the new prescription could possibly have adverse reactions when used in conjunction with any of the other medications the participant is taking. There are three levels of edits:
  - "Advisory" is of mild severity, probably presenting little potential harm to the participant. In this situation, no message is given but a record is made for reporting purposes.
  - "Severe" This message alerts the pharmacist that a potentially serious interaction exists.
  - "Very Severe," which means there is a high risk of potential harm to the participant. This message rejects the claim.

Both the "Severe" and "Very Severe" responses provide messages to the pharmacist, explaining that the prescription being filled will interact with another medication currently used. The message includes the name, strength and quantity of the interacting medication.

*Drug-to-Drug Example* – Participant is currently taking Coumadin® (a blood thinner) and the pharmacist is submitting a new prescription for Tagamet®. A "Reject" message would come back and reject the claim. The two medications used in conjunction could be potentially life threatening to the participant.

- **Drug-to-Age** – IPS examines all medications currently taken by the participant, the medication being submitted by the pharmacist, and the age of the participant. We then determine if the medication is appropriate for a participant of that age. There are three levels of warning: Advisory, Severe, and Very Severe.
- **Override Codes** – All of the IPS Program processes allow pharmacists' overrides when the pharmacist has reviewed the data with the participant and/or physician and has determined that the prescription is safe and effective to dispense. Both the plan and the pharmacy track these overrides.

***Retrospective Case Management and Peer Review:*** IPS has established processes for retrospective drug utilization review that identify interventions to improve quality of care, including the following:

- **Dispense As Written Correspondence** – When a "Dispense As Written" (DAW) order accompanies a prescription, the payor is often left with little recourse to alter the physician's direction. With IPS, the payor can now request a letter through *MatRx<sup>TM</sup>* that addresses this issue with the prescriber. The IPS DAW letter addresses the specific DAW medication and offers therapeutic equivalent alternatives that are available in a

generic form. These letters can be helpful to the prescriber for future prescriptions written, thus assisting in containing the overall cost of medications.

- **Letter of Medical Necessity** – Determining how a medication is related to an occupational injury can be difficult at times for a payor. With the IPS automated Letter of Medical Necessity (LMN), an adjuster can easily request a letter be e-faxed to a prescriber in order to address if the medication is related to occupational injury, as well as how long the prescriber anticipates the therapy to continue. When the signed LMN is received back from the prescriber, the adjuster is alerted that the LMN is available via *MatRx™*.
- **Therapy Duration/Compliance Tracking** – With the many things that an adjuster has to track when overseeing a claim, knowing how long a claimant has been taking a medication is not always readily available. IPS allows an adjuster to set specific alerts via the *YourWay™* in *MatRx™* so that they can receive automated alerts when a claimant has been receiving a specific medication for a specified period of time or inactivity for a specified period of time to ensure therapy compliance. With these automated alerts a payor can now better track and make better pharmacological care management decisions for their claimants.

IPS can also provide clients with the added benefits of URAC accredited Physician Review Services and a Chronic Pain Management Program that are priced separately. These services are described below:

- **Physician Review Services (PRS)** – IPS has partnered with a national leader and URAC accredited UR program to offer Physician Review Services as an effective, valuable resource for securing clinical expertise to assist in claims and medical management. IPS' Physician Review Services can be used as a stand-alone service or be seamlessly integrated with IPS' third party claims administration, comprehensive utilization management and case management services. PRS offers our clients a timely, defensible and cost-effective service for claim resolution. PRS can also collaborate with external utilization management and case management entities when requested.
- **Chronic Pain Management Program** – An Interdisciplinary Approach – Chronic pain conditions are complex bio-psychosocial disorders and each individual needs a thorough and individualized evaluation and treatment plan. For this reason, the key to each claim's success is our expert clinical staff of board certified physicians and nurses. IPS' panel of pain physicians includes anesthesiologists, physiatrists, orthopedists, psychologists and psychiatrists. By utilizing diverse resources, Chronic Pain Management addresses both the physical and psychosocial barriers to recovery. The program objectives are:
  - Maximize the employee's quality of life and ease return to work
  - Improve the productivity of those suffering chronic pain
  - Lower medication dependence which controls pharmacy costs

***Checking the Status of Claims:*** *MatRx™*, IPS' proprietary, highly scalable, paperless and user-friendly operating system allows client users to take advantage of best in class pharmacy benefit management with direct point-of-sale (POS) eligibility and formulary management in real-time throughout IPS' network of 65,000 pharmacies. Below is a screen shot of our *MatRx™* system.

❖ Claimant Information

Choose menu items in left bar to act in this claimant's account:

Claimant Information					
<b>Name:</b>	Demo Claimant	<b>Claim #:</b>	12345	<b>Drug Card ID:</b>	002-00002-00001
<b>Address:</b>	243 Carmas Dr	<b>Date of Injury:</b>	12/21/2010	<b>Entered into IPS:</b>	03/16/2012
<b>City, State, Zip:</b>	Rochester, NY 14626	<b>Drug Card ID Status:</b>	Active	<b>Status:</b>	Open
<b>Home Phone:</b>	(555) 888-1256	<b>Adjuster on File:</b>	Ashley Truelove	<b>Card Sent Status:</b>	Card Not Sent
<b>Birthday:</b>	12/21/1976	<b>Gender:</b>	Female		

[Change to Another Claimant](#)

*MatRx*<sup>TM</sup> allows users to perform the following functions:

***Manage Prescription Claims***

- Edit Claimant information
- Update the Claimant’s drug card formulary
- Add, update, or cancel a specific drug authorization on the claim
- Request mail order coordination between IPS customer service, Treating Physician, and Claimant
- Submit third party bills through *ReverseRx*
- Restrict the IPS drug card to a particular treating physician through *Physician Select*
- Update the claim to a different adjuster

***Manage Eligibility***

- Immediately close and deactivate the claimant from the IPS system
- Send a new IPS drug card to the claimant

***Order Ancillary Health Services***

- Order DME through our products and services catalog
- Order Home Therapy, Translation/Transportation, Physical Medicine, and Diagnostic Imaging for a claim.

***Clinical Services***

- Order Pharmacy utilization review for a claim
- Request a Letter of Medical Necessity for a drug
- Submit a DAW letter to the treating physician for a brand drug which has a generic substitution

***Claimant History Reports***

- ReverseRx requests and status of request
- Card Activation history
- Drug Classification history
- Prescription Authorization history
- Prescription Dispensed history
- Invoice and Payment history
- Clinical service history
- Ancillary service history

IPS continues to add new features and capabilities to our *MatRx* system to continue to provide the services that our clients find helpful in managing their claims.

**2.8 Customer Service:**

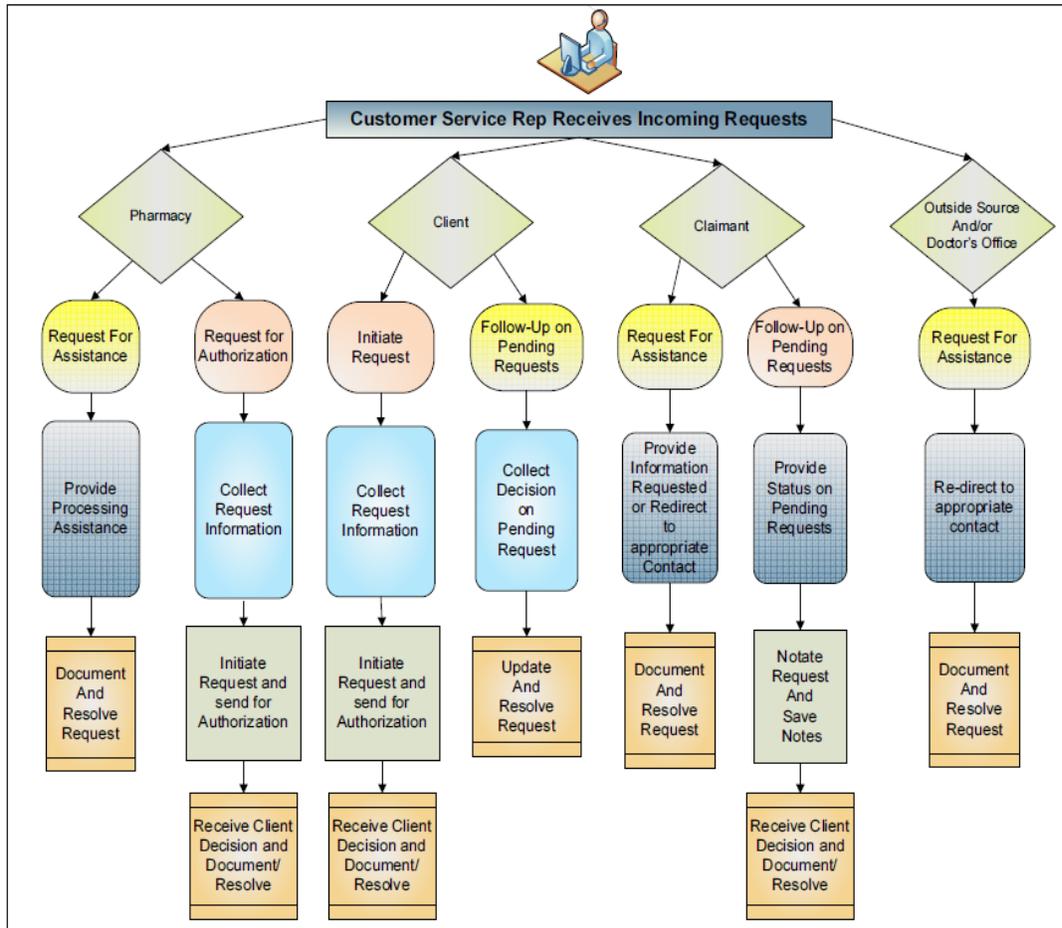
2.8.1 CONTRACTOR shall provide customer service staff that are fully trained on Maricopa County’s Pharmacy plan.

IPS provides 24/7 customer service with “live” personnel answering the phones. Our call center is staffed with a Customer Service Supervisor and Customer Service Representatives (CSR), including a bi-lingual CSR on each shift who can speak both English and Spanish to meet the specific needs of the population. CSRs have at a minimum a high school diploma or GED and two years of experience in telephone customer service (preferably in a Workers’ Compensation Program or other health related field) and must undergo a drug test and background check prior to hire. Each Call Center staff member receives extensive HIPAA compliance and security training, including the handling and protection of personal information, as well as training in the use of IPS’ customer service tools and the client’s specific Workers’ Compensation Program protocols. IPS has trained pharmacy technicians on staff to ensure quality and effective pharmacy assistance. All employees also receive Drug Free Workplace, Business Ethics and Diversity training.

All CSRs supporting Maricopa County will be trained in the specifics of your Workers/ Compensation Pharmacy Program prior to responding to incoming calls/inquiries made by adjustors, nurse case managers, pharmacies and injured workers. Depending upon the nature of the caller, the CSR responds to the following, including, but not limited to:

- Requests for assistance and benefit inquiries
- Process requests for new claims and follow up on pending requests
- Initiate and resolve authorizations for prescription fills
- Document and log complaints and if appropriate redirect to appropriate contacts

Our Customer Service Call Flow Chart is presented below:



2.8.2 Maricopa County prefers a dedicated customer service team available during the hours of 7 AM to 6 PM. such team will have thorough training in the County's Pharmacy plan designs.

All of IPS's CSRs will be trained in the specifics of the Maricopa County Workers' Compensation Program and will be available to serve Maricopa County between the hours of 7 AM and 6 PM PST. IPS also provides CSR support that is available after normal business hours on a 24/7 basis.

## **2.9 Implementation Plan:**

2.9.1 CONTRACTOR will provide annually, a detailed implementation plan with mutually agreed upon tasks assignments, **including a fee to offset costs. (Attachment A)**. Report due to Maricopa County for year end June 30<sup>th</sup> by July 15<sup>th</sup> each year.

IPS is fully capable of implementing a workers' compensation PBM program within 30 days beginning on the contract award date with complete cooperation of the client and the incumbent contractor and no major delays in systems integration. Otherwise, the implementation period could be as long as 120 days. We will work with Maricopa County to obtain an agreement on the length of the implementation period and the dedication of resources to ensure we meet all established task completion dates. IPS does not charge an implementation fee.

Additionally, Candace Nolan, IPS's Maricopa County Account Manager, will conduct quarterly stewardship meetings with the County to identify potential changes in existing services or the need for new services. We will work with the County to implement revised or new services on an annual basis,

**Initial Contract Implementation:** IPS recommends that implementation commence with a Contract Implementation Kick-off Meeting held at the client's office within one week of the awarding of the contract. The meeting will include representatives from IPS and the client.

The meeting agenda will include the following:

- Introduction of IPS key personnel to the client
- Discussion of implementation tasks, responsible parties and timelines
- Determining the process for keeping the client informed of the implementation's progress
- Discussion of any issues or concerns IPS or the client might have relative to EDI, contract operations and coordination and communication with the client.

During contract implementation, a weekly conference call along with a variety of reports is provided to the client which address task completion specific to the agreed upon timeline for deliverables. An agenda will be provided ahead of each meeting with specific topics or areas of discussion which will have ideally been agreed upon ahead of time. Meeting minutes will be sent out after each meeting with specific notes outlining tasks with assigned deadlines. Weekly activities will be summarized in a monthly report which will be distributed no later than ten (10) work days after the end of each month

A sample Client Implementation Plan is provided below.

### **Client Implementation Plan**

#### **Week 1 - Work with Client to insure a timely and smooth rollout of the IPS Program**

1. Coordination of IT Departments for claimant Electronic Data Transmission
2. Assistance with the Completion of Client Setup Document – Accomplished week one
  - a. Client Demographic Information
  - b. Client Authorizer List
  - c. Client Assistance Escalation Preferences
  - d. Client / Claimant Pharmacy Handling Preferences
  - e. Client Generic and Brand Drug discounts for Retail and Mail Order
  - f. Client Default Drug Formulary
  - g. Client Preferences for the "YourWay" tool (allows Client to choose how IPS will communicate with them in over 99% of possible scenarios)

- h. Client Preferences with *TempCard* (allows injured worker to receive a certain days fill of drugs that are in the *TempCard* Formulary)

**Week 2 and 3: Continue testing Electronic Data Transmission and training the client on the IPS program**

1. Training Client's Adjusters, Nurse Case Managers, and any other appropriate staff
  - a. Typically, large group training done first
  - b. Individual training is done next at the adjuster's desk for real familiarization of the MatRx, the on line tool that will provide everything needed for an adjuster to manage the prescription, DME, Home Medical, Physical Medicine, and Diagnostic needs of each claimant.
2. Webinar training will be scheduled for groups who are not at the client location
3. Quarterly follow up training with regularly scheduled meetings

**Week 4: Final approval submissions for electronic data transmissions will be sent**

1. Data received for all eligible claims to be set up in IPS system
2. IPS Cards and transition letters will be mailed out

IPS has assembled an Implementation Team of highly qualified and experienced management and operations personnel that will be led by Rosie Cruze, VP IT/Client Services This team will include, but not be limited to:

- Implementation Team Leader: Rosie Cruze
- Account Manager: Candace Nolan
- EDI: Information Technology: James Benham
- Employee Training: Ashley Truelove
- Executive Sponsor/Clinical Pharmacist: Michael McQuilken, Phar.D., RPh

Additional IT and customer service staff will be involved as needed.

2.9.2 CONTRACTOR must comply with the Industrial Commission of Arizona Pharmacy Fee Schedule for Arizona per A.R.S. § 32-1963.01

IPS will comply with the Industrial Commission of Arizona Pharmacy Fee Schedule for Arizona per A.R.S. § 32-1963.01

**2.10 Education Support:**

2.10.1 CONTRACTOR shall provide Maricopa County with an array of educational material and web- based tools that will help educate employees that require their service on where to obtain prescriptions and how they are covered (See Attachment A, Pricing). The tool(s) must also provide alternative suggestions for more cost-effective medication within the same therapeutic class.

Claimants currently receiving workers' compensation benefits will be seamlessly integrated into the new PBM program without any disruption in services. Prior to the start date of the new program, all eligible claimants, including current claimants, will receive a new drug card and a Claimant Drug Letter notifying them of the change in PBM and the effective date of the new program. Our Customer Service team also backs up the claimant package by calling current claimants to inform them of the change in PBMs.

IPS will work with Maricopa County to determine the timeframe for implementing the program, the program "go live" date, and the date the Claimant Drug Card Letter and drug card will be mailed to all eligible claimants. The drug letter, envelope and drug card can all be customized according to Maricopa County specifications, including the Maricopa County logo and all relevant program information.. After the Claimant letter is mailed, IPS will notify the Maricopa County immediately of any returned letters so that current demographics can be obtained.

**Claimant Education Materials:** IPS offers claimant education materials in both English and Spanish in easy-to-read type. An initial Claimant Drug Letter is sent out to all claimants included in the Initial Data Feed and as new claimants are added. The letter package includes the following:

- Letter explaining the PBM program and how to use it, the toll-free customer service number and the process for using out-of-network pharmacies
- IPS Drug ID Card
- Two mail order forms (unless Maricopa County prefers no mail order forms)
- List of the 12 closest pharmacies to the claimant's home ZIP code

IPS mails the letter to the claimant letter within 24 -48 hours of receipt of the initial data feed or on a date mutually agreed upon to coincide with the contract start date.

**IPS Web Portal:** Our web portal is accessible to claimants for pharmacy location at any time. IPS offers one of the largest workers' compensation pharmacy networks in the United States. Our network of 65,000 pharmacies, including 11,000 compounding pharmacies and more than 20,000 independently owned pharmacies, ensures that claimants will be able to locate a pharmacy within minutes of their home or work locations. To find these pharmacies, users can access the Pharmacy Locator tool on the IPS website 24 hours a day, 7 days a week. The user simply logs in to the Member Access area with their claim number or their 13 digit IPS drug card number:

**IPS Website:** Claimant education material can be accessed on IPS' Patient Information website where claimants can also search for a pharmacy located conveniently near their residence or workplace. There is a member access portal on the IPS homepage where the claimant can log on to the website with his/her claim number and drug card number. The website also includes the following links to various sites with State-specific information on many topics:

1. Workers' Compensation <http://www.workerscompensation.com/>: This site offers information on Workers' Compensation by state.
2. WebMD [http://forums.webmd.com/3/back-pain-exchange/forum/3948?ecd=wnl\\_cbp\\_091511#](http://forums.webmd.com/3/back-pain-exchange/forum/3948?ecd=wnl_cbp_091511#)
  - Back Pain Community <http://exchanges.webmd.com/back-pain-exchange>
  - Fibromyalgia Community <http://exchanges.webmd.com/fibromyalgia-exchange>
  - Lupus Community <http://exchanges.webmd.com/lupus-exchange>
  - Migraines & Headaches Community <http://exchanges.webmd.com/migraines-and-headaches-exchange>
  - Osteoarthritis Community <http://exchanges.webmd.com/osteoarthritis-exchange>
  - Pain Management Community <http://exchanges.webmd.com/pain-management-exchange>
3. RxList [www.rxlist.com](http://www.rxlist.com)

**Prescription Information:** Detailed drug information is provided to the injured worker when a medication is dispensed at the retail pharmacy. This includes proper ways to take the medication, potential side effects and drug-to-drug interactions, and a consultation with the pharmacist on proper use of the medications.

**Network Updates:** IPS updates the list of network participating pharmacies on a quarterly basis or upon the client's request. Network revisions are posted on our member website and a letter is sent to claimants notifying them of the changes. IPS also notifies the client's point of contact of the changes via email. IPS recognizes that we are responsible for all costs, including printing and postage, required to notify claimants of changes to the network.

## 2.11 Network

With regard to the actual dispensing process involving the contracted providers in Contractor's network, services will be provided to Members upon the following terms and conditions:

- 2.11.1 Pharmacy shall attempt to dispense generic equivalent drugs in lieu of prescribed brand name drugs if commercially available, meet quality (industry) rating standards, and if consistent with the prescriber's orders and the dispensing pharmacist's professional judgment and state and federal law.

IPS drives cost effective generic fills through its mandatory generic fill contract with its participating network pharmacies resulting in the highest generic efficiency rate in the industry at 97.46%. Cost effective generic equivalent drugs are filled consistent with the prescriber's orders, the dispensing pharmacist's professional judgment and state and federal law.

2.11.2 Preferred Network:

2.11.2.1 It is expected that PBM will propose a preferred network of retail pharmacies where the County will receive a greater discount from Average Wholesale Price (AWP).

IPS has the ability to carve out and provide Maricopa County with a Preferred Pharmacy Network in the state of Arizona. This network will include, but not be limited to, several major pharmacy and grocery chains and large independent pharmacy outlets. Pricing of the preferred network will offer a greater discount to the County. Pricing would be determined based on the network size and number of participating pharmacies.

A preferred network would be advisable should Maricopa County be able to direct injured workers to use specific pharmacies.

2.11.3 Secondary Network:

2.11.3.1 The County shall require a network that includes the maximum number of retail pharmacies.

Our contracted pharmacy network in the State of Arizona, CVS/Caremark, includes 1,168 contracted pharmacies or the vast majority of pharmacies within the State. Any pharmacies that are identified by Maricopa County or your claimants that are not in our network are contacted and encouraged to participate in our network. CVS/Caremark has a 99.4% success rate when contracting with new pharmacies.

IPS's network partner, CVS/Caremark, has 99% of all pharmacies in the United States in their network. IPS's clients have access to more than 65,000 pharmacies, including 11,000 compounding pharmacies, more than 20,000 independently owned pharmacies and five (5) mail order pharmacies that are geographically dispersed throughout the United States. IPS recognizes that Maricopa County desires to provide injured workers with access to all pharmacies within the state. Although our preferred network includes the vast majority of all Arizona pharmacies, we understand that there may be some small independent pharmacies in outlying areas that do not participate in our network. Therefore, when we are notified that an injured worker has presented a prescription to a non-network pharmacy, our network partner, CVS Caremark, contacts that pharmacy and encourages it to participate in our network. As stated above, CVS/Caremark has a 99.4% success rate when contracting with new pharmacies.

2.11.4 Performance Guarantees

As a result of our success in improving network penetration and reducing Third Party Bills, IPS **guarantees our clients a network penetration rate of 90% or more.** We also **guarantee to reduce third party bills to less than 10% within 120 days of client start up.** IPS is happy to negotiate mutually-agreed upon performance guarantees with Maricopa County regarding customer service and reporting requirements.

**2.12 Specialty Drugs:**

2.12.1 CONTRACTOR shall provide a cost-effective Specialty Pharmacy Program with either centralized distribution or multi-channel distribution that is national, convenient, consistent and flexible. Specialty pharmaceuticals are generally high-cost medications that are usually prescribed for people with complex or chronic medical conditions, i.e., multiple sclerosis, hemophilia, hepatitis, and rheumatoid arthritis. Medications typically exhibit one or more of the following characteristics: are injected or infused, however some may be taken orally; have unique monitoring, storage or shipment requirements; require additional education and support from a health care professional; and are usually not available at retail pharmacies.

IPS does provide a formalized, full-service Specialty Drug Program. We work with our clients to ensure that specialty drugs are available to injured workers whose injuries on the job have resulted in chronic diseases (ex. a medical worker who contracted Hepatitis after being exposed to the disease on the job).

2.12.2 The Program must have developed services to meet the unique challenges of dispensing and monitoring these medications. The Program must provide cost-effective care and positive patient outcomes through increased adherence, as well as provide an enhanced patient experience through the convenience of scheduled delivery, disease management programs and compliance monitoring employing a care-coordination model. In care coordination, licensed clinicians (nurses, pharmacists, and physicians) provide comprehensive clinical management services. Clinical professionals support patients with education, training and mental health support (e.g., behavioral health, case management or disease management referral). The plan of care will address education, interventions, compliance, monitoring parameters, and goals and outcomes of therapy. Non-adherence or non-compliance and the rationale must be communicated to the prescribing physician.

If a specific injured worker requires a specialty medication, an IPS clinical pharmacist will be assigned to work with the prescribing physician to insure that the injured worker is receiving a treatment related to the work place incident. IPS will also aid the County in addressing the goals and outcomes of therapy.

2.12.3 The Program must contain provisions addressing preferred specialty medications and biosimilars.

If a specific injured worker requires a specialty medication or biosimilar, an IPS clinical pharmacist will be assigned to work with the prescribing physician to insure that the injured worker is receiving a treatment related to the work place incident.

## **2.13 Pharmaceuticals**

213.1 The Pharmaceutical Fee Schedule applies to prescription medicines (drugs) required to treat an injured employee, whether the medicine is dispensed by a pharmacy or dispensed by a physician. Medicines dispensed by either a pharmacy or physicians are subject to this Fee Schedule located at the following website: [http://www.ica.state.az.us/Director/DIR\\_FSLList2013.aspx](http://www.ica.state.az.us/Director/DIR_FSLList2013.aspx).

IPS has reviewed and will abide by the Pharmaceutical Fee Schedule located at the following website: [http://www.ica.state.az.us/Director/DIR\\_FSLList2013.aspx](http://www.ica.state.az.us/Director/DIR_FSLList2013.aspx).

2.13.2 Generic drugs shall be dispensed to workers' compensation claimants when they are available and as provided in A.R.S. § 32-1963.01, subsections A and C through K<sup>1</sup> For purposes of this Section, the definitions found in A.R.S. § 32-1963.0 apply.

When a Dispense as Written order does not accompany a prescription for a brand name drug, IPS's network pharmacies automatically fill the prescription with a generic equivalent drug as mandated in Subsection A of A.R.S. § 32-1963.01 of the Arizona Pharmaceutical Fee Schedule.

2.13.3 Reimbursement for prescription medicines shall be based on the medication dispensed, including a brand name drug that is dispensed as provided in A.R.S. § 32-1963.01.

IPS will reimburse pharmacies for prescription medicines based the following formulas: a. Generic drugs: 30% discount from the average wholesale price. b. Brand name drugs: 10% discount from the average wholesale price (AWP). Our discounts deviate from those stated in the Arizona Pharmaceutical Fee Schedule. Please see our response in Section 4, Proposal Exceptions for more information.

2.13.4 Reimbursement for prescription medicines shall be based on this fee schedule in the absence of a contractual agreement between the pharmacy and payer governing reimbursement. Network discounts may not be applied in the absence of a contractual agreement with the pharmacy authorizing such discounts.

IPS will reimburse non-network pharmacies for prescriptions according to the provisions stipulated in the Arizona Pharmaceutical Fee Schedule. When IPS is notified about a third party bill resulting from a non-network prescription fill, we contact CVS Caremark, who in turn contacts the pharmacy and attempts to bring it into the network. We also contact the adjustor and the claimant to inform them of network pharmacies closest to the claimant's home ZIP code. In a state that allows the payor to channel a claimant's care, the claimant can be directed to the nearest network pharmacy to ensure the prescriptions are captured into the IPS

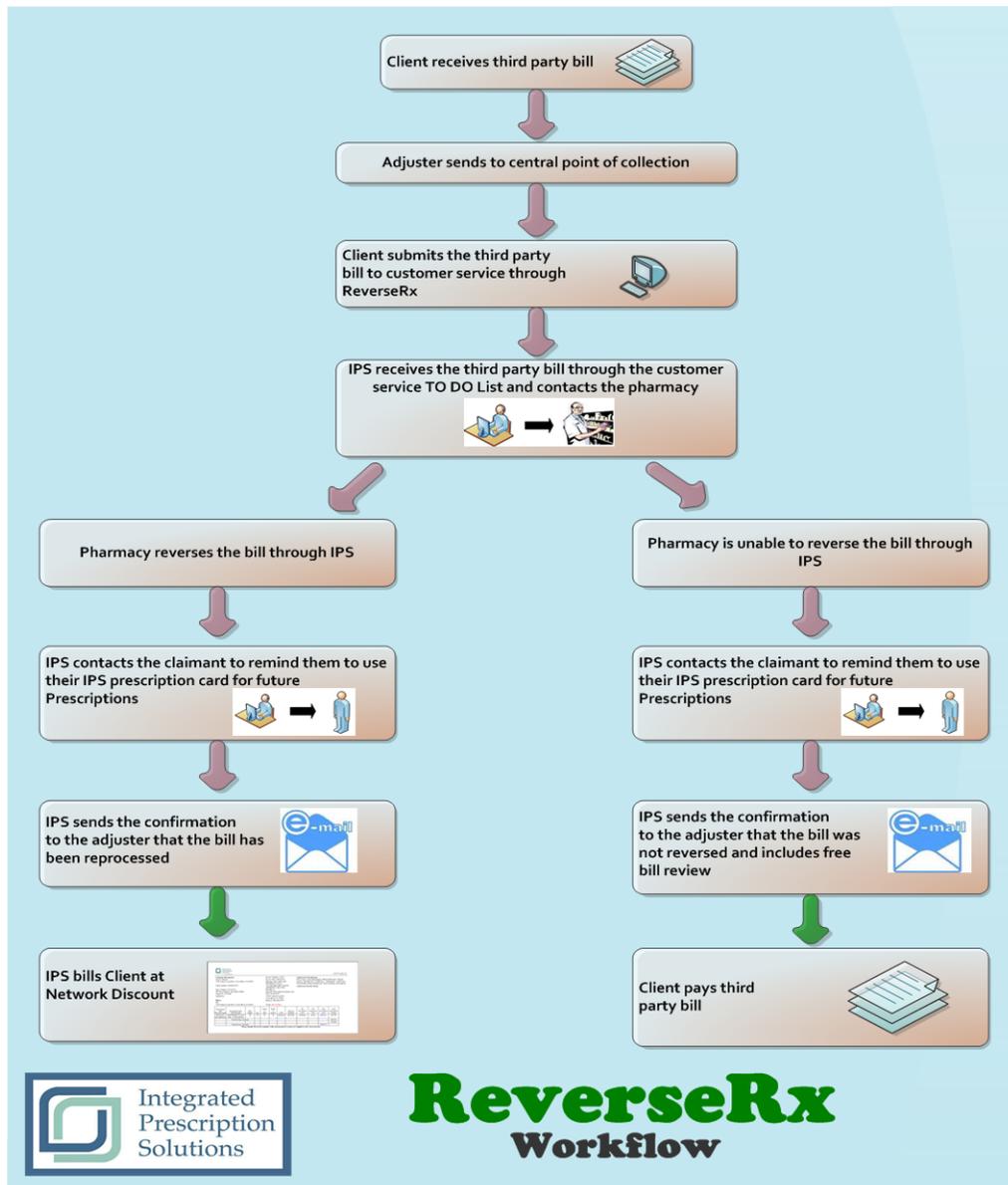
discount program. Client third party bills are processed through our *MatRx™* online portal in the following manner:

1. Client/Authorizer submits a bill reversal request through the IPS *MatRx™*, fax, email or mail.
2. IPS' System, *MatRx™*, receives the request and posts it to the Customer Service "To Do List".
3. The next representative in the queue takes the request, blocks out other representatives and begins the bill reversal process.
4. The representative resolves the request and based upon the client/requestor's communication preferences chosen on the *YourWay™* tool, IPS will provide a resolution notification with a free bill review included.

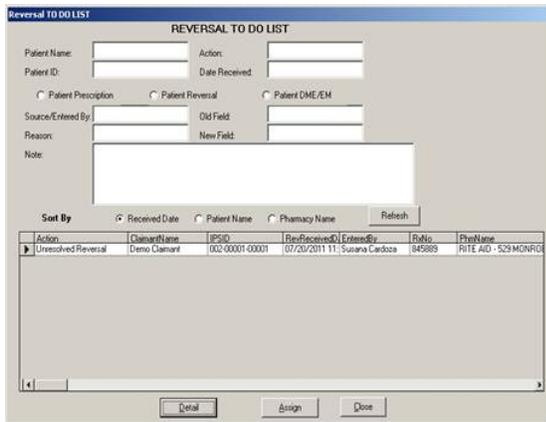
The bill review will provide the following information to the client/requestor:

- AWP Price
- State Fee Schedule Price
- IPS Price

The bill reversal process is shown graphically below.



The bill reversal request will automatically appear on the customer service "TO DO LIST" shown below.



2.13.5 Reimbursement for injectable drugs requires a provider to identify the injectable drug given through the use of an accepted industry identifier, such as the applicable NDC code, to enable the payer to make the appropriate payment.

IPS recognizes that reimbursement for injectable drugs requires a provider to identify the injectable drug given through the use of an accepted industry identifier, such as the applicable NDC code, to enable the payer to make the appropriate payment. We will work with our pharmacies to ensure that this requirement is met.

2.13.6 As another cost reducing measure, the Commission is asking the medical community to voluntarily prescribe less costly drugs whenever possible.

IPS also encourages physicians to voluntarily prescribe less costly drug whenever possible. For example, when a “Dispense As Written” (DAW) order accompanies a prescription, the payor is often left with little recourse for altering the physician’s direction. IPS allows the payor to request a letter through *MatRx™* that addresses the specific DAW medication with the prescriber and offers therapeutic equivalent alternatives that are available in a generic form. The DAW letter can be helpful to the prescriber in writing future prescriptions, thus reducing the overall cost of medications. When a Dispense as Written order does not accompany a prescription for a brand name drug, IPS’s network pharmacies automatically fill the prescription with a generic equivalent drug as mandated in Subsection A of A.R.S. § 32-1963.01 of the Arizona Pharmaceutical Fee Schedule.

2.13.7 Whether dispensed by a pharmacy or dispensed by a physician, the dispensing fee per prescription shall be seven dollars (\$7.00).

IPS is proposing an alternative dispensing fee of \$3.50 per prescription. Please see Attachment A, Pricing.

**2.14 Infusion Therapy**

2.14.1 Proposer may propose a separate Specialty Infusion Program that features cost containment and cost avoidance to reduce and manage inappropriate utilization of services, decrease cost drivers associated with location of care, and identify cost effective, convenient, coordinated care. The program must improve member health and well-being by providing access to accurate, objective and relevant healthcare information, improve member quality of life, and decrease absenteeism. The program must demonstrate a defined return on investment for the County and proven positive outcomes for members.

IPS does have a formalized Specialty Infusion Therapy Programs. If a specific injured worker requires this type of medication, an IPS clinical pharmacist will be assigned to work with the prescribing physician to ensure that the injured worker is receiving a treatment related to the work place incident.

**2.15 Injectables**

2.15.1 Proposer may propose a program to manage the cost of injectable medication (including self- injectable and those administered in a physician’s office or hospital) through the PBM. The program must demonstrate a defined return on investment for the County and proven positive outcomes for members.

IPS does have a formalized Injectable Medication Program. If a specific injured worker requires an injectable medication, an IPS clinical pharmacist will be assigned to work with the prescribing physician to ensure that the injured worker is receiving a treatment related to the work place incident.

**2.16 Durable Medical Equipment (DME) Distribution**

2.16.1 Proposer shall propose a DME Program for DME available at a medical supply facility or retail pharmacy store where there is a defined return on investment for the County. This program shall include Equipment, Wound Care, Ostomy Supplies, Nebulizers, Respiratory Aids and Incontinence Supplies. This service should be able to be adjudicated through the pharmacy Claims.

IPS will price all DME items at the Arizona Medicare rate plus 10%. Limited DME supplies are available through our retail pharmacies and may be adjudicated through the pharmacy card. Pharmacies will allow certain items at the retail level based on inventory. Not all pharmacies will dispense and bill on a prescription card. All charges are usual and customary but there is not a set price when being dispensed at retail. For this reason, IPS will offer a DME program with at a guaranteed discount rate.

**2.17 Usage Report**

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

IPS will provide the County with a quarterly usage report delineating the acquisition activity governed by the Contract. We will work with the County to approve the format of this report which will disclose the quantity and dollar value of each contract item by individual unit.

**2.18 Invoices and Payments**

2.18.1 The Respondent shall submit one (1) legible copy of their detailed invoice following the close of each monthly billing cycle before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract Serial Number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service
- Contract Item number(s)
- Description of Purchase (services)
- Individual prescription claims
- Administrative fees and/or any other costs and charges specified
- Pricing per unit of service
- Extended price
- Total Amount Due

IPS’s invoices will include all of the above required information. Our web portal is updated immediately upon invoicing for all prescriptions which have processed for any claimants. There is a suite of invoice reports available to notify your staff which prescriptions were filled. These invoice reports can be customized to

include as much pharmacy detail as needed by Maricopa County staff. If requested, IPS can set up specific, automatic notifications for adjusters based on the needs of Maricopa County. Maricopa County staff can view claimant history at any time. See **Attachment 5** for an example of an Invoice compilation report

2.18.2 Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order

IPS will direct billing or invoicing problems to the using agency as listed on the Purchase Order.

2.18.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

IPS understands that payments will be made to the Contractor via Electronic Funds Transfer (EFT) through the Maricopa County Vendor Express Payment Program. IPS will complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site upon contract award.

2.18.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

IPS understands that all EFT payments to IPS's designated routing and account numbers will include the details on the specific invoices that the payment covers. IPS will discuss remittance delivery capabilities with our designated financial institution for access to those details.

## **2.19 Tax (Services)**

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

IPS's proposal price includes any and all taxes.

## **2.20 Delivery**

It shall be the Contractor's responsibility to meet the proposed delivery requirements. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

IPS will meet all the requirements for delivering our proposed services on or before the contract start date. We understand that Maricopa County reserves the right to obtain services on the open market in the event the IPS fails to make delivery and any price differential will be charged against IPS.

## **2.21 Strategic Alliance for Volume Expenditures (\$AVE)**

The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please state so** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

IPS is willing to grant access to a \$AVE member as long as the member agrees to abide by the terms and conditions of the contract negotiated with Maricopa County.

## 2.22 Intergovernmental Cooperative Purchasing Agreements(ICPA's)

County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract.

IPS accepts the participation of other governmental entities that hold ICPAs with the County as long as these entities purchase their requirements under the terms and conditions of the County Contract.

## 3. QUALIFICATIONS

Integrated Prescription Solutions, Inc. (IPS) has been providing workers' compensation pharmacy benefit management services since 2003. Workers' Compensation represents 100% of IPS's business. Our pharmacy programs and systems are designed to process workers' compensation prescriptions only and we currently process over 1.5 million Workers' Compensation prescriptions annually. IPS serves a wide range of clients across the United States, including: Insurance companies, TPA's, case management companies, municipalities and carriers. We work with fifty seven (57) clients that are national and state specific, including three clients in Arizona.

### 3.1 Account Management and Operations

IPS's management team has over 100 years of combined workers' compensation knowledge and experience. We have designated the following workers' compensation professionals to serve the Maricopa County contract. The IPS account management team will devote as much time as necessary to the County's program.

#### **Account Manager: Candace Nolan, BA**

Candace Nolan has 19 years of workers' compensation experience in various positions, involving managed care, operations and sales. She served as the branch manager for Concentra Managed Care in Denver, Colorado. Ms. Nolan also worked as a Regional Account Executive for Genex Services, and as Vice President of Sales and Marketing for the Bass & Babb Companies. In 2009, she moved into the pharmacy benefit management arena where she has sold pharmacy programs to governmental entities, third party administrators and self-insured employer groups. She received her bachelor's degree from San Diego State University. Ms. Nolan is hands on and client centric and will work with Maricopa County to ensure a successful program

#### **Responsibilities:**

- Dedicates 25% of her time as the Maricopa Account Manager to the Maricopa County contract or as needed
- Primary contact with the Maricopa County for overall project management
- Communicates with Maricopa County and all departments to fulfill requests
- Monitors, responds to, and ensures all department requests are handled
- Responsible for scheduling and administering stewardship meetings
- Tracks reporting and discussion of results and trends
- Implements training schedule and on-going training for new hires
- Liaison between Maricopa County, IPS and pharmacies

#### **Chief Clinical Pharmacist and Strategist: Michael McQuilken, Phar.D., R.Ph**

Dr. McQuilken serves as Senior Vice President of Sales and also oversees the clinical pharmacy program at IPS. He holds a bachelor's degree from the University of Florida and a Doctor of Pharmacy Degree from the Mercer School of Pharmacy, based in Atlanta, Georgia. Dr. McQuilken completed his internship and residency at Emory Hospital and Emory School of Medicine. In addition, he is a workers' compensation executive with over twenty two (22) years of experience in sales, operations, pharmacy benefit management, contract negotiations, and formulary development. His experience also includes developing clinical programs, CE classes, and mail order pharmacy programs.

#### **Responsibilities:**

- Dedicates 5% of his time as the Maricopa County Clinical Pharmacist to the Maricopa County contract
- Consults with Maricopa County regarding pharmacy issues and develops strategic solutions for the PBM program
- Assists Account Manager when necessary for escalated situations

- Assists in stewardship
- Conducts business reviews
- Assists in formulary development and management
- Conduct trainings for the WCD regarding CEU's for nurses and case managers
- Assists with peer to peer reviews
- Works with network pharmacies regarding compliance issues

**VP IT/Client Services: Rosie Cruze**

Rosie Cruze directs cross-functional teams using interactive and motivational leadership that spurs people to willingly give 110% of effort and loyalty. She participates in high-level operational initiatives, including infrastructure design, process reengineering and organization. Ms. Cruze has over ten years of Workers' Compensation experience, managing implantation and overseeing operations for IPS.

***Responsibilities:***

- Dedicates 20% of her time to the Maricopa County contract as needed
- Communicates with all departments to achieve customer service goals
- Leads and manages client relationships and programs
- Develops and implements program services to clients
- Monitors, responds to, and insures all department requests are handled per company goals;
- Develops customer service standards, policies, and procedures for the company
- Coordinates all aspects of customer service training program to ensure customer service excellence

**Information Technology: James Benham, MS**

Mr. Benham oversees our technology department and is responsible for IPS's programming and network administration. Mr. Benham received his Master's degree in Information Technology from the University of Texas.

***Responsibilities:***

- Dedicates 5% of his time to the Maricopa County contract or more if necessary to address IT operations
- Establishes electronic data interfaces between IPS and the client during contract implementation
- Oversees all IT operations with the client throughout the term of the contract

**Controller: Eric Smith, BS**

After starting his BS degree in Accounting at Oral Roberts University, Eric began his career at Pre-Banc Business Credit in Irvine, CA. Eric gained over 7 years of banking and finance experience during his tenure at Pre-Banc. In 2002, Eric finished his BS degree in Accounting at the University of Phoenix. Eric has been working as the Controller for IPS since 2002.

***Responsibilities:***

- Dedicates 5% of his time to the Maricopa County contract
- Acts as Human Resources Administrator
- Oversees billing and generating EOB's
- Oversees collections
- Coordinates with our compliance officer regarding state fee schedule changes

**Customer Service and Account Management Support: Ashley Truelove**

Ashley Truelove is the Sales Operations Supervisor at IPS. Ashley is a dynamic professional with over 10 years of experience in providing excellent customer service. Ashley will be an integral part of the team in servicing Maricopa County.

***Responsibilities:***

- Dedicates 40% of her time to Maricopa County
- Customer service program implementation and support
- Account management support
- Assists with data information requests
- Develops new programs and support

Resumes for Dr. McQuilken and Ms. Nolan are provided in **Attachment 2**.

### 3.2 Satisfied Clients

IPS's client list represents some of the largest TPAs, insurance carriers and government agencies in the industry, including but not limited to:

- Bashas
- Valley Schools TPA
- Blue Star Claims
- Cool Risk
- Tractor Supply
- NCA Comp
- Bunch and Associates
- Swiss Re
- FCS Administrators
- City of Riverside

***Demonstrated Results:*** The PBM programs IPS administers for these clients provide innovative technology and solutions for meeting some of the greatest challenges facing workers' compensation Programs today. Matthew Webber, Vice President of Cool Risk Insurance had this to say about IPS and our solutions.

"IPS has been a great business partner to work with. They are very responsive and I think deliver a much more personal touch than other companies I've worked with. They continue to upgrade and improve their reporting capabilities and they make it very straight forward and simple for adjustors to manage "out of formulary" requests. They will customize "escalation" workflows for you as well as customizing formularies. Their network seems to include just about everyone. As a result, I don't think we've fielded one call from an unhappy claimant unable to fill a script because they couldn't find a pharmacy to take IPS. If you feed invoices you receive from pharmacies outside of their network back to them before you pay them, IPS will work to "reverse" those billings so the pharmacy re-routes the invoice through them, back to you. As a result of that process, last year, more than 98% of the scripts we paid were through IPS. You'll need to create an internal workflow and a central collection point for those out-of-network invoices to then be sent daily to IPS.

Because we are paperless, we also have taken advantage of an automatic payment workflow system because of the confidence we have that the formularies and escalation procedures are working properly. IPS sends an invoice / script file to us weekly which gets uploaded and dispersed to the individual claim files. In response, payments are generated automatically from the files and collected into a weekly group check which then gets printed and mailed to IPS. As a result, all the administrative work of scanning and indexing individual invoices to claim files is eliminated. All the time adjustors spend reviewing and approving each script for payment is eliminated. All the administrative time spent then keying in individual Rx payments is eliminated. Also, we provide IPS with a daily download of claim file information which allows them to recognize that we have valid claims and fill Rx's immediately as they come in the door without the need to call and check to see if we have a valid claim. Only claims data flagged as "accepted" or compensable are sent, so they won't fill a script on a denied case."

**INTEGRATED PRESCRIPTION SOLUTIONS, 3190 A AIRPORT LOOP DR, COSTA MESA, CO 92626**

PRICING SHEET: 27176

Terms:	NET 30
Vendor Number:	2011004377 0
Telephone Number:	866-846-9279
Fax Number:	949-271-4621
Contact Person:	Candace Nolan
E-mail Address:	<a href="mailto:cnolan@ipsusa.com">cnolan@ipsusa.com</a>
Certificates of Insurance	Required
Contract Period:	To cover the period ending <b>February 28, 2017</b> .