

Response to the West Virginia Department of Health and Human Resources (DHHR) Bureau for Medical Services (BMS)

Request for Quotation for Retrospective Drug Utilization Review Services

RFQ # BMS14096
Due Date: April 16, 2014 at 1:30pm EST

Submitted by:
Xerox State Healthcare, LLC
9040 Roswell Road, Suite 700
Atlanta, GA 30350

04/15/14 09:48:51AM
West Virginia Purchasing Division

Transmittal Letter



Brett Jakovac
Government Healthcare
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SVP & Managing Director

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April 14, 2014

Mr. Robert Kilpatrick
Senior Buyer
Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

RE: Retrospective Drug Utilization Review Services, RFQ# BMS14096

Dear Mr. Kilpatrick:

With this cover letter, Xerox State Healthcare, LLC submits its response to the West Virginia Department of Health and Human Services' Request for Quotation (RFQ) to provide Retrospective Drug Utilization Review Services.

We have prepared this response in accordance with the directions furnished in the RFQ. Our response demonstrates our experience, qualifications, and ability to continue to support the State in their ongoing effort to improve member care by accurate and effective prescriber and pharmacist notification of potential DUR issues.

Xerox has carefully reviewed the terms and conditions and the requirements of the RFQ and accept them with the modifications proposed in Attachment A of our submission. Xerox certifies that the price provided on our Pricing Page was arrived at without any conflict of interest.

Per RFQ Section 40, Xerox has identified a section of its proposal that we wish to protect. Accordingly, we have marked this section, provided the requested justification in Attachment B, and submitted a redacted version of our proposal.

As a national leader in providing DUR and other expert clinical management solutions to twenty-one Medicaid programs, Xerox brings a broad base of experience for the State. Xerox is the ideal partner to provide a comprehensive and effective DUR program for the State. The solution we describe provides the following:

- Proven software solution that provides accurate and evidence-based information
- Proven and experienced clinicians and a support organization



We appreciate the opportunity to continue our partnership with the State to achieve your member healthcare goals. Communications regarding this RFQ response should be directed to:

Jeff Smith, Vice President
Xerox State Healthcare, LLC
1916 NW 26th Pl.
Cape Coral, FL 33993
Phone: (239) 282-1409
Email: Jeff.Smith@xerox.com

I am authorized to obligate and bind the company in this agreement to perform services associated with the West Virginia RetroDUR Services RFQ.

If there are any questions, please feel free to contact Jeff Smith or me.

Sincerely,

A handwritten signature in black ink that reads "Brett Jakovac". The signature is fluid and cursive, with the first name "Brett" being more prominent.

Brett Jakovac
Sr. Vice-President
Managing Director

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3.0 Qualifications

3. Qualifications

REQUIREMENT: RFQ Section 3, p. 19

Vendor shall have the following minimum qualifications:

Xerox far exceeds BMS's minimum qualifications for the provision of requested services, including an established track record of success providing RetroDUR services to BMS for more than three years.

Xerox is pleased to present our experience, qualifications, and demonstrated ability to continue to support the West Virginia Medicaid retrospective drug utilization review (RetroDUR) program in partnership with BMS. We bring an established track record of success providing the same or similar DUR services to BMS as the State's current RetroDUR vendor, with proven results. From contract start in January 2011 through June 2013 (representing the most recent reporting period), we delivered 13 population-based interventions resulting in DUR cost savings of \$13 million for West Virginia. In addition to actual savings to the program, our proposed CyberFormance Drug Program Management Toolkit (CyberFormance), which currently supports the program, provides BMS and providers actionable information to better manage the overall healthcare of the State's Medicaid members. This innovative technology, along with the clinical expertise of our proposed staff experienced in RetroDUR program administration, promotes appropriate drug therapies for members whether in fee-for-service (FFS), managed care organization (MCO), or long term care (LTC) program models.

Xerox in West Virginia

Experience, Expertise, Results

- 3+ years of West Virginia-specific RetroDUR experience
- 12 years of experience providing RetroDUR services nationwide
- 22 years PBM experience nationwide
- 43+ years of government healthcare program experience

Both our national experience and West-Virginia experience providing RetroDUR services similar to those requested by the State serve as a foundation for future success of the West Virginia RetroDUR program.

Following, we outline our qualifications in response to the specifications outlined in RFQ Section 3, Qualification, including:

- Documentation that demonstrates we exceed the minimum of five years of experience in providing RetroDUR services similar to those specified in the RFQ to state Medicaid programs, in response to specification 3.1.
- Three state references, including names and contact information for state personnel who can attest to our experience, and
- Responses to the staffing specifications outlined in RFQ section 3.3.

3.1 Five Years' Experience

3.1. A minimum of five years of experience in providing RetroDUR services similar to those specified herein to state Medicaid Programs. A letter of attestation documenting the required experience of the Vendor is preferred with the bid, but will be required prior to award of any Contract.

In addition to our direct experience providing RetroDUR services for BMS since January 2011, Xerox brings over 12 years of experience providing similar services to Medicaid programs nationwide, including

largest PBM provider to public sector clients and the fourth largest PBM provider in terms of annual claims volume.

We are recognized in the industry as one of the best business values due to our cost effectiveness, service attitude, and flexible approach. Our Medicaid-specific experience as well as our national public health policy expertise assists our clients in effectively addressing the factors that are driving costs and utilization of pharmacy services in their pharmacy programs.

The breadth of our PBM operations expertise includes the following pharmacy and clinical services:

- Claims Processing, Adjudication, and Payment
- Prospective Drug Utilization Review (ProDUR)/Retrospective Drug Utilization Review (RetroDUR)
- Automated Prior Authorization (PA)
- Call Center Services
- Preferred Drug List (PDL) Support
- CMS/Supplemental Drug Rebate Administration
- Managed Care Organization (MCO) Drug Rebate Support
- Medication Therapy Management (MTM)
- Lock-In Programs
- Data Warehouse/Decision Support System (DW/DSS) Services
- Provider Network Administration
- Onsite and Desktop Pharmacy Auditing
- Third Party Liability (TPL)/Coordination of Benefits (COB)
- Website Development/Maintenance
- Clinical Management Programs and Tools
- Clinical and Financial Reporting
- Provider and Patient Education
- Cost Containment Consulting
- Academic Detailing
- Population-based Interventions
- Benefits Design Management
- Fiscal Management
- e-Prescribing
- Healthcare Common Procedure Coding System (HCPCS) Rebate Crosswalk (J-Codes)
- Maximum Allowable Cost (MAC) Program

We also provide pharmacy claims processing and support services to managed care organizations (MCOs), insurance administrators, self-insured employer groups, state employee benefit programs, third party administrators, senior drug programs, and workers' compensation programs including the United States Department of Labor. In addition to providing our customers CMS rebate administration services for eleven years, Xerox has provided supplemental rebate administration services for nine years.

3.2 References

3.2. Current provision of Medicaid RetroDUR Services in at least three other states, excluding West Virginia. Provide the names and contact information for the state personnel who can attest to this provisioning; this information is preferred with the bid, and can be included in the letter required in 3.1.

Our successful experience serving as West Virginia's RetroDUR vendor since 2011 as well as providing similar services to other state government clients is a strong indicator of our ability to continue to provide the services required by BMS. Xerox provides three reference projects in which we provide similar RetroDUR services as well as pharmacy services in addition to RetroDUR. We welcome BMS to contact

our references to obtain more information regarding the products and services we provide these clients and to verify our demonstrated history of maintaining program success. Tables 3-1 through 3-3 provide an overview of our reference projects, including:

- Minnesota Medicaid RetroDUR/Drug Rebate
- Texas Medicaid Drug Utilization Review (DUR)
- Ohio Medicaid PBM

Table 3-1. Minnesota Medicaid RetroDUR/Drug Rebate	
Contracting Entity	Minnesota Department of Human Services
Contact Person	Name: Mary Beth Reinke, PharmD. Title: Medicaid DUR Coordinator Phone: (651) 431-2505, ext. 12505 Email: mary.beth.reinke@state.mn.us Address: Minnesota Medicaid Department of Human Services, 444 Lafayette Rd. North, St. Paul, MN 55155-3853
Current Contract	September 2005 – September 2015 (represents two consecutive contracts)
Description of Work	Xerox is currently fulfilling a second consecutive contract to provide RetroDUR and rebate management services for Minnesota Medicaid. For this project we implemented the Xerox-developed CyberFormance tool to support the RetroDUR program and the Xerox-developed drug rebate and analysis system (DRAMS) to support the drug rebate program. For this project, we deliver four (4) Retro-DUR population-based interventions per contract year. Our services include: <ul style="list-style-type: none"> • RetroDUR and provider education services • CyberFormance • Four (4) population-based interventions per year • Outcome analysis • Annual program assessment • Ad hoc reports • DRAMS application

Table 3-2. Texas Medicaid Drug Utilization Review (DUR) Program	
Contracting Entity	Texas Health and Human Services Commission/Vendor Drug Program (HHSC/VDP)
Contact Person	Name: Nahid Assadi, R.Ph. Title: Medicaid Pharmacist, Texas Medicaid Vendor Drug Program Phone: (512) 707-6109 Email: nahid.assadi@hhsc.state.tx.us Address: Texas Medicaid Vendor Drug Program, Brown-Heatly Building, 4900 North Lamar Blvd., Austin, TX 78751
Contract Duration	August 2002 – October 2015, excluding three one-year options (represents multiple contract awards)
Description of Work	Xerox has provided drug utilization review (DUR) and other services for the Texas Medicaid Pharmacy program since June 2002. The program uses the Xerox-developed Web-based CyberFormance tool to perform analysis of drug therapy and disease states using prescription and medical claims data to support RetroDUR. Our RetroDUR program has resulted in a reduction of suboptimal drug utilization leading to better therapeutic outcomes for members and a reduction in unnecessary Medicaid expenditures for the Texas Medicaid

Table 3-2. Texas Medicaid Drug Utilization Review (DUR) Program

	<p>Vendor Drug Program (VDP). Under a new contract awarded in November 2012, we provide the following RetroDUR services:</p> <ul style="list-style-type: none"> • Population-based interventions/provider education (the RetroDUR program uses population-based interventions to deliver educational letters to medical providers who practice outside the norm of their peers or who have patients that might abuse resources) • CyberFormance for rules-based analysis of member medical and drug data • Perform outcome analysis; outcome reports are provided 6 months post-intervention • Deliver up to ten (10) population-based interventions per contract year • Ad hoc drug utilization reports • Administration of MCO oversight program
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Table 3-3. Ohio Medicaid PBM

Table Header	Style: BASIC Table Title 2
Contracting Entity	Ohio Department of Medicaid
Contact Person	<p>Name: Margaret Scott, RPh Title: Medicaid DUR Coordinator Phone: (614) 752-4613 Email: margaret.scott@medicaid.ohio.gov Address: Minnesota Medicaid Department of Human Services, 444 Lafayette Rd. North, St. Paul, MN 55155-3853</p>
Contract Duration	Contract Dates: February 15, 2006 – June 30, 2015, excluding a one-year option
Description of Work	<p>In February 2006, the Ohio Department of Medicaid (formerly the Ohio Department of Job and Family Services) awarded Xerox a contract to provide pharmacy services and implement our pharmacy point-of-sale (POS) claims processing system (implemented July 2006) for the Ohio Medicaid program. In January 2008, we implemented our CyberAccess Internet portal that enables providers to access patient pharmacy records and verify drug prior authorization status; in September 2009 we upgraded the pharmacy POS system; and in January 2010 we expanded CyberAccess capabilities to include e-prescribing. All projects were completed according to schedule. The Ohio Medicaid program processes approximately 15.4 million claims annually on behalf of 450,000 fee-for-service (FFS) members.</p> <p>Our services include:</p> <ul style="list-style-type: none"> • Pharmacy claims processing/Pro-DUR • Call center services • Automated prior authorization (PA) using Xerox-developed SmartPA • Federal rebate administration • Supplemental rebate negotiation and administration • Preferred drug list (PDL) • Provider education • CyberAccess Internet portal for providers including e-prescribing • Claims data warehouse/Reporting • SMAC/State Reimbursement Methodologies

Staffing

Per Attachment B of our proposal, Xerox considers this staffing section to be proprietary and confidential.

3.3. Staffing with experience in the administration of a RetroDUR program including:

3.3.1 Medical Director

3.3.2 One or more pharmacists, one of which has specialty certification in mental health agents. One of these assigned pharmacists must attend quarterly DUR Board meetings and make presentations regarding RetroDUR activity and proposals for population based educational interventions for Medicaid prescribers

3.3.3 A database analyst

As required, our solution includes a database analyst. The database analyst works with various staff to provide an understanding of the data structures and the most efficient use of data resources, and manages the database environments, making necessary adjustments to maintain peak performance.

3.3.4 A Help Desk, available from 9:00 am to 5:00 pm ET, for answering inquiries from members, prescribers, or pharmacy providers regarding the Lock-In Program and any other inquiries about the RetroDUR Program.

Xerox will continue to provide a toll-free telephone Help Desk to respond to inquiries from members, prescribers, and pharmacy providers regarding the West Virginia lock-in program and RetroDUR program. Consistent with requirements, the Help Desk will be available from 9:00 a.m. to 5:00 p.m. ET, Monday through Friday. Under the new contract, our Help Desk in Richmond, Virginia will continue to respond specifically to inquiries related to the West Virginia lock-in program, and our Henderson, North Carolina call center responds to all other West Virginia RetroDUR program inquiries. Both Help Desks are professionally staffed with clinical and pharmacy services specialists to ensure a professional, responsive customer service experience.

Pricing Sheet

REQUEST FOR QUOTATION
BMS14096
Retrospective Drug Utilization Review Services

Pricing Page

Cost information below as detailed in the Request for Quotation. Cost should be clearly marked. Cost must be broken out by the following categories. This will be a fixed cost contract, based on a per year basis.

Description of Services	YEAR 1			OPTIONAL YEAR 2			OPTIONAL YEAR 3		
	Monthly		Yearly	Monthly		Yearly	Monthly		Yearly
Data Collection	\$ 2,268.84	x12	\$ 27,226.08	\$ 2,268.84	x12	\$ 27,226.08	\$ 2,268.84	x12	\$ 27,226.08
(Member Profiles)	\$ 5,672.13	x12	\$ 68,065.56	\$ 5,672.13	x12	\$ 68,065.56	\$ 5,672.13	x12	\$ 68,065.56
Educational Programs for Providers (Newsletters, Educational Population-Based Interventions, Member Profile Review Letters)	\$ 4,348.70	x12	\$ 52,184.40	\$ 4,348.70	x12	\$ 52,184.40	\$ 4,348.70	x12	\$ 52,184.40
Retrospective Drug Utilization Review Reports	\$ 2,836.07	x12	\$ 34,032.84	\$ 2,836.07	x12	\$ 34,032.84	\$ 2,836.07	x12	\$ 34,032.84
Lock-In Program (including letters to members, prescribers and pharmacy providers) and Help Desk	\$ 3,781.40	x12	\$ 45,376.80	\$ 3,781.40	x12	\$ 45,376.80	\$ 3,781.40	x12	\$ 45,376.80
Totals	\$18,907.14	x 1	\$ 226,885.68	\$18,907.14	x 1	\$ 226,885.68	\$18,907.14	x 1	\$ 226,885.68

VENDOR'S TOTAL BID (3 Year Price)

\$680,657.04

HIPAA Business Associate Agreement

WV STATE GOVERNMENT

HIPAA BUSINESS ASSOCIATE ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Addendum ("Addendum") is made a part of the Agreement ("Agreement") by and between the State of West Virginia ("Agency"), and Business Associate ("Associate"), and is effective as of the date of execution of the Addendum.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Agreement that requires the exchange of information including protected health information protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Agreement are entering into this Addendum to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Agreement into compliance with HIPAA.

Whereas it is desirable, in order to further the continued efficient operations of Agency to disclose to its Associate certain information which may contain confidential individually identifiable health information (hereafter, Protected Health Information or PHI); and

Whereas, it is the desire of both parties that the confidentiality of the PHI disclosed hereunder be maintained and treated in accordance with all applicable laws relating to confidentiality, including the Privacy and Security Rules, the HITECH Act and its associated regulations, and the parties do agree to at all times treat the PHI and interpret this Addendum consistent with that desire.

NOW THEREFORE: the parties agree that in consideration of the mutual promises herein, in the Agreement, and of the exchange of PHI hereunder that:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
 - a. **Agency Procurement Officer** shall mean the appropriate Agency individual listed at: <http://www.state.wv.us/admin/purchase/vrc/agencyli.html>.
 - b. **Agent** shall mean those person(s) who are agent(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).
 - c. **Breach** shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except as excluded in the definition of Breach in 45 CFR § 164.402.
 - d. **Business Associate** shall have the meaning given to such term in 45 CFR § 160.103.
 - e. **HITECH Act** shall mean the Health Information Technology for Economic and Clinical Health Act. Public Law No. 111-05. 111th Congress (2009).

- f. **Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and 164.
- g. **Protected Health Information or PHI** shall have the meaning given to such term in 45 CFR § 160.103, limited to the information created or received by Associate from or on behalf of Agency.
- h. **Security Incident** means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.
- i. **Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information found at 45 CFR Parts 160 and 164.
- j. **Subcontractor** means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

2. Permitted Uses and Disclosures.

- a. **PHI Described.** This means PHI created, received, maintained or transmitted on behalf of the Agency by the Associate. This PHI is governed by this Addendum and is limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the original Agreement, and is described in Appendix A.
- b. **Purposes.** Except as otherwise limited in this Addendum, Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the original Agreement, or as required by law, if such use or disclosure of the PHI would not violate the Privacy or Security Rules or applicable state law if done by Agency or Associate, or violate the minimum necessary and related Privacy and Security policies and procedures of the Agency. The Associate is directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Agency.
- c. **Further Uses and Disclosures.** Except as otherwise limited in this Addendum, the Associate may disclose PHI to third parties for the purpose of its own proper management and administration, or as required by law, provided that (i) the disclosure is required by law, or (ii) the Associate has obtained from the third party reasonable assurances that the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party by the Associate; and, (iii) an agreement to notify the Associate and Agency of any instances of which it (the third party) is aware in which the confidentiality of the information has been breached. To the extent practical, the information should be in a limited data set or the minimum necessary information pursuant to 45 CFR § 164.502, or take other measures as necessary to satisfy the Agency's obligations under 45 CFR § 164.502.

3. Obligations of Associate.

- a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than as stated in this Addendum or as required or permitted by law.
- b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as stated in this Addendum or as required or permitted by law. Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI unless Agency gives written approval and the individual provides a valid authorization. Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Associate will report to Agency any use or disclosure of the PHI, including any Security Incident not provided for by this Agreement of which it becomes aware.
- c. **Safeguards.** The Associate will use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the PHI, except as provided for in this Addendum. This shall include, but not be limited to:
 - i. Limitation of the groups of its workforce and agents, to whom the PHI is disclosed to those reasonably required to accomplish the purposes stated in this Addendum, and the use and disclosure of the minimum PHI necessary or a Limited Data Set;
 - ii. Appropriate notification and training of its workforce and agents in order to protect the PHI from unauthorized use and disclosure;
 - iii. Maintenance of a comprehensive, reasonable and appropriate written PHI privacy and security program that includes administrative, technical and physical safeguards appropriate to the size, nature, scope and complexity of the Associate's operations, in compliance with the Security Rule;
 - iv. In accordance with 45 CFR §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.
- d. **Compliance With Law.** The Associate will not use or disclose the PHI in a manner in violation of existing law and specifically not in violation of laws relating to confidentiality of PHI, including but not limited to, the Privacy and Security Rules.
- e. **Mitigation.** Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of the PHI by Associate in violation of the requirements of this Addendum, and report its mitigation activity back to the Agency.

f. **Support of Individual Rights.**

- i. **Access to PHI.** Associate shall make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying, and in electronic format, if requested, within ten (10) days of a request by Agency to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.
- ii. **Amendment of PHI.** Within ten (10) days of receipt of a request from Agency for an amendment of the PHI or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such PHI available to Agency for amendment and incorporate any such amendment to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526.
- iii. **Accounting Rights.** Within ten (10) days of notice of a request for an accounting of disclosures of the PHI, Associate and its agents or subcontractors shall make available to Agency the documentation required to provide an accounting of disclosures to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.528 and consistent with Section 13405 of the HITECH Act. Associate agrees to document disclosures of the PHI and information related to such disclosures as would be required for Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. This should include a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years from the date of disclosure, or longer if required by state law. At a minimum, such documentation shall include:
 - the date of disclosure;
 - the name of the entity or person who received the PHI, and if known, the address of the entity or person;
 - a brief description of the PHI disclosed; and
 - a brief statement of purposes of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure.
- iv. **Request for Restriction.** Under the direction of the Agency, abide by any individual's request to restrict the disclosure of PHI, consistent with the requirements of Section 13405 of the HITECH Act and 45 CFR § 164.522, when the Agency determines to do so (except as required by law) and if the disclosure is to a health plan for payment or health care operations and it pertains to a health care item or service for which the health care provider was paid in full "out-of-pocket."
- v. **Immediate Discontinuance of Use or Disclosure.** The Associate will immediately discontinue use or disclosure of Agency PHI pertaining to any individual when so requested by Agency. This includes, but is not limited to, cases in which an individual has withdrawn or modified an authorization to use or disclose PHI.

- g. **Retention of PHI.** Notwithstanding section 4.a. of this Addendum, Associate and its subcontractors or agents shall retain all PHI pursuant to state and federal law and shall continue to maintain the PHI required under Section 3.f. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.
- h. **Agent's, Subcontractor's Compliance.** The Associate shall notify the Agency of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract and shall be delivered to the Agency Procurement Officer. The Associate will ensure that any of its subcontractors, to whom it provides any of the PHI it receives hereunder, or to whom it provides any PHI which the Associate creates or receives on behalf of the Agency, agree to the restrictions and conditions which apply to the Associate hereunder. The Agency may request copies of downstream subcontracts and agreements to determine whether all restrictions, terms and conditions have been flowed down. Failure to ensure that downstream contracts, subcontracts and agreements contain the required restrictions, terms and conditions may result in termination of the Agreement.
- j. **Federal and Agency Access.** The Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI, as well as the PHI, received from, or created or received by the Associate on behalf of the Agency available to the U.S. Secretary of Health and Human Services consistent with 45 CFR § 164.504. The Associate shall also make these records available to Agency, or Agency's contractor, for periodic audit of Associate's compliance with the Privacy and Security Rules. Upon Agency's request, the Associate shall provide proof of compliance with HIPAA and HITECH data privacy/protection guidelines, certification of a secure network and other assurance relative to compliance with the Privacy and Security Rules. This section shall also apply to Associate's subcontractors, if any.
- k. **Security.** The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required, to the extent practicable. If Associate chooses not to adopt such methodologies as defined in 74 FR 19006 to secure the PHI governed by this Addendum, it must submit such written rationale, including its Security Risk Analysis, to the Agency Procurement Officer for review prior to the execution of the Addendum. This review may take up to ten (10) days.
- l. **Notification of Breach.** During the term of this Addendum, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the WV Office of Technology immediately by e-mail or web form upon the discovery of any Breach of unsecured PHI; or within 24 hours by e-mail or web form of any suspected Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency Procurement Officer at www.state.wv.us/admin/purchase/vrc/agencyli.htm and,

unless otherwise directed by the Agency in writing, the Office of Technology at incident@wv.gov or <https://apps.wv.gov/ot/ir/Default.aspx>.

The Associate shall immediately investigate such Security Incident, Breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of the discovery, the Associate shall notify the Agency Procurement Officer, and, unless otherwise directed by the Agency in writing, the Office of Technology of: (a) Date of discovery; (b) What data elements were involved and the extent of the data involved in the Breach; (c) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data; (d) A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized; (e) A description of the probable causes of the improper use or disclosure; and (f) Whether any federal or state laws requiring individual notifications of Breaches are triggered.

Agency will coordinate with Associate to determine additional specific actions that will be required of the Associate for mitigation of the Breach, which may include notification to the individual or other authorities.

All associated costs shall be borne by the Associate. This may include, but not be limited to costs associated with notifying affected individuals.

If the Associate enters into a subcontract relating to the Agreement where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum, all such subcontracts or downstream agreements shall contain the same incident notification requirements as contained herein, with reporting directly to the Agency Procurement Officer. Failure to include such requirement in any subcontract or agreement may result in the Agency's termination of the Agreement.

- m. **Assistance in Litigation or Administrative Proceedings.** The Associate shall make itself and any subcontractors, workforce or agents assisting Associate in the performance of its obligations under this Agreement, available to the Agency at no cost to the Agency to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Agency, its officers or employees based upon claimed violations of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inaction or actions by the Associate, except where Associate or its subcontractor, workforce or agent is a named as an adverse party.

4. Addendum Administration.

- a. **Term.** This Addendum shall terminate on termination of the underlying Agreement or on the date the Agency terminates for cause as authorized in paragraph (c) of this Section, whichever is sooner.
- b. **Duties at Termination.** Upon any termination of the underlying Agreement, the Associate shall return or destroy, at the Agency's option, all PHI received from, or created or received by the Associate on behalf of the Agency that the Associate still maintains in any form and retain no copies of such PHI or, if such return or destruction is not feasible, the Associate shall extend the protections of this Addendum to the PHI and limit further uses and disclosures to the purposes that make the return or destruction of the PHI infeasible. This shall also apply to all agents and subcontractors of Associate. The duty of the Associate and its agents

and subcontractors to assist the Agency with any HIPAA required accounting of disclosures survives the termination of the underlying Agreement.

- c. **Termination for Cause.** Associate authorizes termination of this Agreement by Agency, if Agency determines Associate has violated a material term of the Agreement. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material breach before termination.
- d. **Judicial or Administrative Proceedings.** The Agency may terminate this Agreement if the Associate is found guilty of a criminal violation of HIPAA. The Agency may terminate this Agreement if a finding or stipulation that the Associate has violated any standard or requirement of HIPAA/HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the Associate is a party or has been joined. Associate shall be subject to prosecution by the Department of Justice for violations of HIPAA/HITECH and shall be responsible for any and all costs associated with prosecution.
- e. **Survival.** The respective rights and obligations of Associate under this Addendum shall survive the termination of the underlying Agreement.

5. General Provisions/Ownership of PHI.

- a. **Retention of Ownership.** Ownership of the PHI resides with the Agency and is to be returned on demand or destroyed at the Agency's option, at any time, and subject to the restrictions found within section 4.b. above.
- b. **Secondary PHI.** Any data or PHI generated from the PHI disclosed hereunder which would permit identification of an individual must be held confidential and is also the property of Agency.
- c. **Electronic Transmission.** Except as permitted by law or this Addendum, the PHI or any data generated from the PHI which would permit identification of an individual must not be transmitted to another party by electronic or other means for additional uses or disclosures not authorized by this Addendum or to another contractor, or allied agency, or affiliate without prior written approval of Agency.
- d. **No Sales.** Reports or data containing the PHI may not be sold without Agency's or the affected individual's written consent.
- e. **No Third-Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Agency, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- f. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this Addendum. The interpretation of this Addendum shall be made under the laws of the state of West Virginia.
- g. **Amendment.** The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.
- h. **Additional Terms and Conditions.** Additional discretionary terms may be included in the release order or change order process.

AGREED: West Virginia Department of
Health and Human Resources,
Bureau for Medical Services

Name of Agency: _____

Name of Associate: Brett Jakovac

Signature: _____

Signature: *Brett Jakovac*

Title: _____

Title: Senior Vice President & Managing Director

Date: _____

Date: 4/9/2014

Form - WVBAA-012004
Amended 06.26.2013

APPROVED AS TO FORM THIS 26th
DAY OF Jan 20 13
Patrick Morrissey
BY *Patrick Morrissey*
Attorney General

Certification and Signature Page

CERTIFICATION AND SIGNATURE PAGE

By signing below, I certify that I have reviewed this Solicitation in its entirety, understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid or proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

Xerox State Healthcare, LLC

(Company)



(Authorized Signature)

Brett Jakovac, Senior Vice President & Managing Director

(Representative Name, Title)

406-457-9555

(Phone Number)

406-442-1495

(Fax Number)

4/9/2014

(Date)

Addendum Acknowledgement Form

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: BMS14096

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Xerox State Healthcare, LLC

Company



Authorized Signature

4/9/2014

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.
 Revised 6/8/2012

Purchasing Affidavit

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Xerox State Healthcare, LLC

Authorized Signature: *[Signature]* Date: 4/9/2014

State of Montana

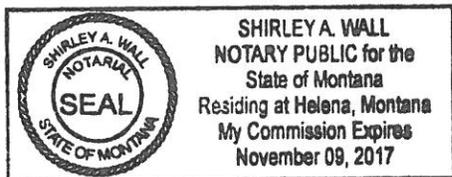
County of Lewis & Clark, to-wit:

Taken, subscribed, and sworn to before me this 9 day of April, 2014.

My Commission expires November 9, 2017.

AFFIX SEAL HERE

NOTARY PUBLIC *Shirley A. Wall*



Attachment A: Exceptions

Attachment A: Exceptions

Instructions to Vendors Submitting Bids RFQ Section 11, pg. 9

Exceptions and Clarifications: The Solicitation contains the specifications that shall form the basis of a contractual agreement. Vendor shall clearly mark any exceptions, clarifications, or other proposed modification in its bid. Exceptions to, clarification of, or modification of a requirement or term and condition of the Solicitation may result in bid disqualification.

Pursuant to Section 11 of the RFQ, Xerox respectfully requests that certain modifications be made to the General Terms and Conditions and Business Associate Agreement contained in the solicitation document. Xerox looks forward to the prospect of resolving these and any other outstanding contractual issues following notification of award on this procurement. We are confident that, through good faith negotiations, we will be able to resolve all outstanding contractual issues, while satisfying the needs and mandates of the State.

1. The Vendor currently carries insurance that meets and exceeds the State's requirements, but requests the following minor changes to the insurance language:

8. REQUIRED DOCUMENTS: All of the items checked below must be provided to the Purchasing Division by the Vendor as specified below.

INSURANCE: The apparent successful Vendor shall furnish proof of the following insurance prior to Contract award and shall list the state as a certificate holder:

- Commercial General Liability **and Property Damage** Insurance: \$1,000,000.00 ~~or more~~ **per occurrence and general aggregate.**
- ~~Property Damage Insurance, \$1,000,000.00 or more.~~
- Professional Liability Insurance, \$1,000,000.00 ~~or more~~ **per claim.**

2. The Vendor requests the following clarification to the Tax provision:

23. TAXES: The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.

The Contract price is exclusive of applicable Transaction Taxes for which the State is responsible to pay or reimburse Vendor. The State shall be responsible for Transaction Taxes based on or measured by the purchase of goods and services from Vendor unless the State is exempt by law, in which case it will provide Vendor with a valid exemption certificate. Vendor shall be responsible for Transaction Taxes based on any goods or services used or consumed in performing the work under the Contract. Transaction Taxes include, but are not limited to sales, use, services, excise, transactionally-based gross receipts, privilege or other like taxes, plus any interest and/or penalty thereon ("Transaction Tax"). Vendor and the State each agree to take commercially reasonable steps to cooperate with each other, including by providing exemptions and certificates to each other, to minimize Transaction Taxes, to the extent permissible under applicable law.

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Attachment B: Exemption from Public Disclosure

Attachment B: Exemption from Public Disclosure

Instructions to Vendors Submitting Bids RFQ Section 40, pg. 13

DISCLOSURE: Vendor's response to the Solicitation and the resulting Contract are considered public documents and will be disclosed to the public in accordance with the laws, rules, and policies governing the West Virginia Purchasing Division. Those laws include, but are not limited to, the Freedom of Information Act found in West Virginia Code § 29B-1-1 et seq.

If a Vendor considers any part of its bid to be exempt from public disclosure, Vendor must so indicate by specifically identifying the exempt information, identifying the exemption that applies, providing a detailed justification for the exemption, segregating the exempt information from the general bid information, and submitting the exempt information as part of its bid but in a segregated and clearly identifiable format. Failure to comply with the foregoing requirements will result in public disclosure of the Vendor's bid without further notice. A Vendor's act of marking all or nearly all of its bid as exempt is not sufficient to avoid disclosure and WILL NOT BE HONORED. Vendor's act of marking a bid or any part thereof as "confidential" or "proprietary" is not sufficient to avoid disclosure and WILL NOT BE HONORED. In addition, a legend or other statement indicating that all or substantially all of the bid is exempt from disclosure is not sufficient to avoid disclosure and WILL NOT BE HONORED. Vendor will be required to defend any claimed exemption for nondisclosure in the event of an administrative or judicial challenge to the State's nondisclosure. Vendor must indemnify the State for any costs incurred related to any exemptions claimed by Vendor. Any questions regarding the applicability of the various public records laws should be addressed to your own legal counsel prior to bid submission.

Pursuant to Section 11 of the RFQ, Xerox respectfully requests that certain modifications be made to the General Terms and Conditions and Business Associate Agreement contained in the solicitation document. Xerox looks forward to the prospect of resolving these and any other

This Attachment is submitted along with Xerox State Healthcare, LLC's ("Xerox") Response to the West Virginia Purchasing Division, on behalf of the West Virginia Department of Health & Human Resources, Bureau for Medical Services, Request for Quotation ("RFQ") to establish a contract to provide for Retrospective Drug Utilization Review ("RetroDUR").

Xerox considers the names of its employees proposed for the project and the employee summaries ("Employee Information") to be a trade secret of Xerox not subject to public disclosure under West Virginia law. Xerox asserts that the disclosure of this Employee Information contained in our Response would be an invasion of privacy if disclosed and are also trade secrets, and are therefore exempt from public disclosure under the West Virginia Public Records General Statutes §29B *et seq.* as constituting a "trade secret" as defined in §29B-1-4(a)(1) and an invasion of privacy under §29B-1-4(a)(2).

1. The Employee Information set forth in Xerox's Response constitutes a trade secret and is exempt from disclosure.

The trade secret public records exemption found at §29B-1-4(a)(1) expressly requires denying access to company information if an exception meets the following criteria:

- (1) Trade secrets, as used in this section, which may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data or compilation of information which is not patented which is known only to certain individuals within a commercial concern who are using it to fabricate, produce or compound an article or trade or a service or to locate minerals or other substances, having commercial value, and which gives its users an opportunity to obtain business advantage over competitors;

By the above requirements, Xerox must identify information that is 1) 'only known to certain individuals', 2) has 'commercial value' using it to produce a service, and 3) 'gives users an opportunity to obtain business advantage over competitors'. Xerox considers the names of its employees proposed for

added costs would in turn create a significant and irreparable competitive disadvantage that would make it much more difficult for Xerox to compete successfully in future health care procurements.

Xerox is in the business of providing services. The business is only as “good” as the people who provide those services and the experiences and knowledge they bring. Thus, unlike a proposal just for the sale of software or pencils or any other material good that might be sold to a state agency, Xerox is proposing the sale of “people services.” The identity and skills of those people can and do constitute a “trade secret” to Xerox and release of this information would be an invasion of privacy for both the employee and Xerox.

Xerox does not customarily reveal any information concerning employees or the independent contractors that may be utilized other than to potential clients and current clients – and then, only for the purposes of either performing or obtaining contracts.

Xerox respectfully urges West Virginia to find that the Employee Information within the Xerox Response to the RetroDUR RFQ is exempted from public disclosure under West Virginia Law.

Exempt Version of 3.0 Qualifications

3. Qualifications

REQUIREMENT: RFQ Section 3, p. 19

Vendor shall have the following minimum qualifications:

Xerox far exceeds BMS's minimum qualifications for the provision of requested services, including an established track record of success providing RetroDUR services to BMS for more than three years.

Xerox is pleased to present our experience, qualifications, and demonstrated ability to continue to support the West Virginia Medicaid retrospective drug utilization review (RetroDUR) program in partnership with BMS. We bring an established track record of success providing the same or similar DUR services to BMS as the State's current RetroDUR vendor, with proven results. From contract start in January 2011 through June 2013 (representing the most recent reporting period), we delivered 13 population-based interventions resulting in DUR cost savings of \$13 million for West Virginia. In addition to actual savings to the program, our proposed CyberFormance Drug Program Management Toolkit (CyberFormance), which currently supports the program, provides BMS and providers actionable information to better manage the overall healthcare of the State's Medicaid members. This innovative technology, along with the clinical expertise of our proposed staff experienced in RetroDUR program administration, promotes appropriate drug therapies for members whether in fee-for-service (FFS), managed care organization (MCO), or long term care (LTC) program models.

Xerox in West Virginia

Experience, Expertise, Results

- 3+ years of West Virginia-specific RetroDUR experience
- 12 years of experience providing RetroDUR services nationwide
- 22 years PBM experience nationwide
- 43+ years of government healthcare program experience

Both our national experience and West-Virginia experience providing RetroDUR services similar to those requested by the State serve as a foundation for future success of the West Virginia RetroDUR program.

Following, we outline our qualifications in response to the specifications outlined in RFQ Section 3, Qualification, including:

- Documentation that demonstrates we exceed the minimum of five years of experience in providing RetroDUR services similar to those specified in the RFQ to state Medicaid programs, in response to specification 3.1.
- Three state references, including names and contact information for state personnel who can attest to our experience, and
- Responses to the staffing specifications outlined in RFQ section 3.3.

3.1 Five Years' Experience

3.1. A minimum of five years of experience in providing RetroDUR services similar to those specified herein to state Medicaid Programs. A letter of attestation documenting the required experience of the Vendor is preferred with the bid, but will be required prior to award of any Contract.

In addition to our direct experience providing RetroDUR services for BMS since January 2011, Xerox brings over 12 years of experience providing similar services to Medicaid programs nationwide, including

services for 13 current Medicaid programs—far exceeding BMS’ minimum qualifications. We provide these services as stand-alone solutions (Texas, Minnesota, and West Virginia) and as integrated components of our Medicaid management information system/fiscal agent (MMIS/FA) and pharmacy benefits management (PBM) contracts. We bring extensive experience supporting lock-in program and working with and making recommendations to drug utilization review (DUR) boards, pharmacy and therapeutics (P&T) committees, and our clients to develop and maintain preferred drug list (PDL) and prior authorization (PA) programs in addition to RetroDUR programs. Through this clinical experience, we assist our clients in improving healthcare and reducing costs by promoting appropriate, cost-effective prescribing on a wide-spread and consistent basis. Xerox currently supports DUR activities in the following states and the District of Columbia (DC).

- Alaska
- California
- Hawaii
- Maryland
- Minnesota
- Missouri
- Montana
- New Mexico
- Ohio
- Texas
- Virginia
- Washington, DC
- West Virginia

Monitoring and Managing Utilization

Our organizational mission is to provide cutting-edge utilization management applications, disease management, clinical reporting tools, healthcare auditing, and consulting services to help our clients contain cost and improve healthcare quality. Drug utilization review (DUR) solutions from Xerox promote clinical safety, therapeutic efficacy, and appropriate drug use more efficiently. Our retrospective review (RetroDUR) programs monitor sub-optimal therapies and provide the basis for population-based interventions. This approach improves care quality while resulting in significant cost savings to our clients’ programs. For example, Xerox has provided similar RetroDUR services to Texas Medicaid (one of the largest programs in the nation with 3.6 million members) since 2002, with tangible results including documented savings of over \$138 million.

Our innovative applications and services use the integration of drug and medical claims data to produce robust business and clinical analyses of drug therapy and disease states, allowing our clinicians to identify care management issues as well as cost deficiencies that can be corrected through effective intervention strategies. Specifically related to RetroDUR program administration, our CyberFormance Toolkit and population-based interventions have assisted West Virginia and other Xerox clients improve their RetroDUR programs.

- **Cyberformance:** Available over a secure portal, the Xerox CyberFormance Toolkit allows clients to examine drug expenditures and cost trends according to a variety of user-defined parameters. The Business PlanFormance and Physician Web Ranking components examine drug utilization throughout the program. This flexible reporting system allows the user to view cost and utilization data by total program, by therapeutic category, by drug, or by drug form. The comprehensive rules set, data analytics, and Web-based functionality provides the ability to “slice and dice” data and identify provider outliers and patient utilization. It also provides a means to create quarterly reports; patient and prescriber profiles; and prescriber, pharmacy, and patient communication materials within a single application.

- **Population-based Interventions:** Communication vehicle that targets a physician's behavior across the physician's entire patient panel instead of simply profiling an individual patient's situation. This approach provides much more meaningful and actionable information to the prescriber—affecting the entire practice, not just one patient.

Through our sophisticated proprietary technology and clinical services, Xerox helps clients decrease costs and improve the quality of their prescription drug programs. We provide the clinical expertise and experience to review and analyze a population's medical and pharmacy data to proactively identify drug therapy issues and to effectively educate providers on appropriate prescribing guidelines and drug utilization to promote positive outcomes for patients.

Corporate Qualifications

Xerox has provided healthcare technology and services to public and private sector clients nationwide, with specific emphasis on Medicaid, for nearly 44 years. Our client base includes government-sponsored healthcare programs in 38 states, the District of Columbia, and Puerto Rico. We continually invest in Medicaid service offerings by acquiring and developing complementary expertise in areas such as healthcare analytics, health information exchanges/electronic health records (HIE/EHR), and care management. We are recognized as an innovator in the healthcare arena—developing products and services that assist our customers in complying with the ever-changing state and federal regulatory landscape while maintaining or increasing healthcare access, improving healthcare outcomes, and containing healthcare costs to their programs. Our national Medicaid experience brings additional value to our approach by providing a broad knowledge and understanding of the issues facing Medicaid programs nationwide as well as the expertise to address them effectively.

As shown in Exhibit 3-1, we provide healthcare services to many state governments across the United States, Puerto Rico, and the District of Columbia—touching 2 out of every 3 insured lives in the U.S.

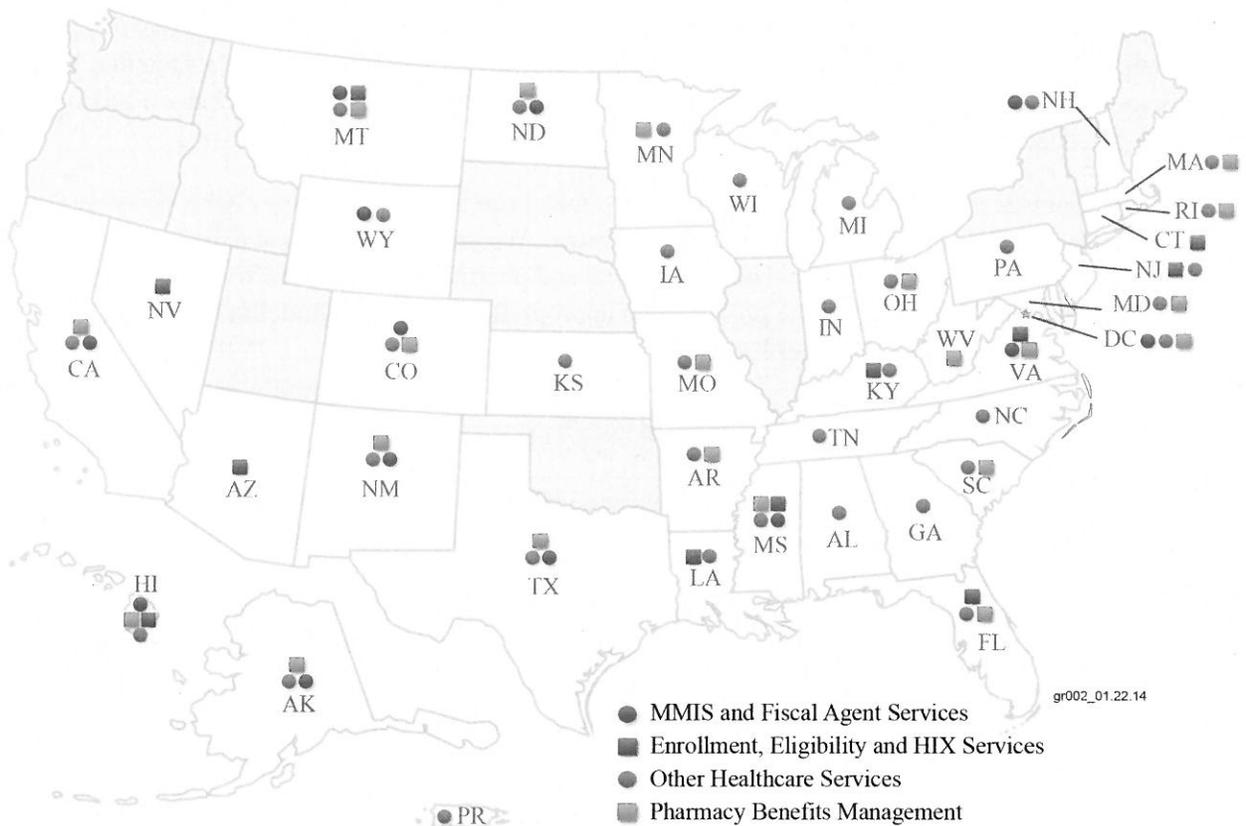


Exhibit 3-1. Nationwide Government Healthcare Experience

Our clients benefit from the broad understanding and practical knowledge Xerox offers from providing a wide range of healthcare services to state customers nationwide.

Our commitment to the Medicaid market has led us to expand our offerings to address healthcare outcomes, care management, and cost containment where we work with our customers to create solutions that help to sustain their Medicaid programs for the future. Our principal line of business is providing healthcare program administration solutions for government-funded healthcare programs with primary emphasis on state-administered Medicaid programs. For Medicaid, our healthcare solutions integrate a full spectrum of systems and services, including Medicaid management information systems (MMIS), fiscal agent services, pharmacy benefits management (PBM), clinical services, care coordination and management, eligibility and enrollment services, children’s health administration (CHIP), and fraud and abuse detection.

Pharmacy Experience

Xerox has more than two decades of experience providing integrated pharmacy services and solutions to public and private sector clients nationwide. We were the first contractor to process Medicaid pharmacy claims at the point-of-sale (POS), and our Web-based pharmacy POS system is one of the most sophisticated and clinically successful claims processing solutions in the industry. Today, we provide pharmacy claims processing, drug rebate, and clinical services for 21 pharmacy programs throughout the country—processing 250 million pharmacy claims annually on behalf of 17 million program recipients, and representing more than \$13 billion in claim payments. Our pharmacy and clinical services organization is the nation’s leading full-service, independent provider of Medicaid PBM services—the

largest PBM provider to public sector clients and the fourth largest PBM provider in terms of annual claims volume.

We are recognized in the industry as one of the best business values due to our cost effectiveness, service attitude, and flexible approach. Our Medicaid-specific experience as well as our national public health policy expertise assists our clients in effectively addressing the factors that are driving costs and utilization of pharmacy services in their pharmacy programs.

The breadth of our PBM operations expertise includes the following pharmacy and clinical services:

- Claims Processing, Adjudication, and Payment
- Prospective Drug Utilization Review (ProDUR)/Retrospective Drug Utilization Review (RetroDUR)
- Automated Prior Authorization (PA)
- Call Center Services
- Preferred Drug List (PDL) Support
- CMS/Supplemental Drug Rebate Administration
- Managed Care Organization (MCO) Drug Rebate Support
- Medication Therapy Management (MTM)
- Lock-In Programs
- Data Warehouse/Decision Support System (DW/DSS) Services
- Provider Network Administration
- Onsite and Desktop Pharmacy Auditing
- Third Party Liability (TPL)/Coordination of Benefits (COB)
- Website Development/Maintenance
- Clinical Management Programs and Tools
- Clinical and Financial Reporting
- Provider and Patient Education
- Cost Containment Consulting
- Academic Detailing
- Population-based Interventions
- Benefits Design Management
- Fiscal Management
- e-Prescribing
- Healthcare Common Procedure Coding System (HCPCS) Rebate Crosswalk (J-Codes)
- Maximum Allowable Cost (MAC) Program

We also provide pharmacy claims processing and support services to managed care organizations (MCOs), insurance administrators, self-insured employer groups, state employee benefit programs, third party administrators, senior drug programs, and workers' compensation programs including the United States Department of Labor. In addition to providing our customers CMS rebate administration services for eleven years, Xerox has provided supplemental rebate administration services for nine years.

3.2 References

3.2. Current provision of Medicaid RetroDUR Services in at least three other states, excluding West Virginia. Provide the names and contact information for the state personnel who can attest to this provisioning; this information is preferred with the bid, and can be included in the letter required in 3.1.

Our successful experience serving as West Virginia's RetroDUR vendor since 2011 as well as providing similar services to other state government clients is a strong indicator of our ability to continue to provide the services required by BMS. Xerox provides three reference projects in which we provide similar RetroDUR services as well as pharmacy services in addition to RetroDUR. We welcome BMS to contact

our references to obtain more information regarding the products and services we provide these clients and to verify our demonstrated history of maintaining program success. Tables 3-1 through 3-3 provide an overview of our reference projects, including:

- Minnesota Medicaid RetroDUR/Drug Rebate
- Texas Medicaid Drug Utilization Review (DUR)
- Ohio Medicaid PBM

Table 3-1. Minnesota Medicaid RetroDUR/Drug Rebate	
Contracting Entity	Minnesota Department of Human Services
Contact Person	Name: Mary Beth Reinke, PharmD. Title: Medicaid DUR Coordinator Phone: (651) 431-2505, ext. 12505 Email: mary.beth.reinke@state.mn.us Address: Minnesota Medicaid Department of Human Services, 444 Lafayette Rd. North, St. Paul, MN 55155-3853
Current Contract	September 2005 – September 2015 (represents two consecutive contracts)
Description of Work	Xerox is currently fulfilling a second consecutive contract to provide RetroDUR and rebate management services for Minnesota Medicaid. For this project we implemented the Xerox-developed CyberFormance tool to support the RetroDUR program and the Xerox-developed drug rebate and analysis system (DRAMS) to support the drug rebate program. For this project, we deliver four (4) Retro-DUR population-based interventions per contract year. Our services include: <ul style="list-style-type: none"> • RetroDUR and provider education services • CyberFormance • Four (4) population-based interventions per year • Outcome analysis • Annual program assessment • Ad hoc reports • DRAMS application

Table 3-2. Texas Medicaid Drug Utilization Review (DUR) Program	
Contracting Entity	Texas Health and Human Services Commission/Vendor Drug Program (HHSC/VDP)
Contact Person	Name: Nahid Assadi, R.Ph. Title: Medicaid Pharmacist, Texas Medicaid Vendor Drug Program Phone: (512) 707-6109 Email: nahid.assadi@hhsc.state.tx.us Address: Texas Medicaid Vendor Drug Program, Brown-Heatly Building, 4900 North Lamar Blvd., Austin, TX 78751
Contract Duration	August 2002 – October 2015, excluding three one-year options (represents multiple contract awards)
Description of Work	Xerox has provided drug utilization review (DUR) and other services for the Texas Medicaid Pharmacy program since June 2002. The program uses the Xerox-developed Web-based CyberFormance tool to perform analysis of drug therapy and disease states using prescription and medical claims data to support RetroDUR. Our RetroDUR program has resulted in a reduction of suboptimal drug utilization leading to better therapeutic outcomes for members and a reduction in unnecessary Medicaid expenditures for the Texas Medicaid

Table 3-2. Texas Medicaid Drug Utilization Review (DUR) Program

	<p>Vendor Drug Program (VDP). Under a new contract awarded in November 2012, we provide the following RetroDUR services:</p> <ul style="list-style-type: none"> • Population-based interventions/provider education (the RetroDUR program uses population-based interventions to deliver educational letters to medical providers who practice outside the norm of their peers or who have patients that might abuse resources) • CyberFormance for rules-based analysis of member medical and drug data • Perform outcome analysis; outcome reports are provided 6 months post-intervention • Deliver up to ten (10) population-based interventions per contract year • Ad hoc drug utilization reports • Administration of MCO oversight program
--	--

Table 3-3. Ohio Medicaid PBM

Table Header	Style: BASIC Table Title 2
Contracting Entity	Ohio Department of Medicaid
Contact Person	<p>Name: Margaret Scott, RPh Title: Medicaid DUR Coordinator Phone: (614) 752-4613 Email: margaret.scott@medicaid.ohio.gov Address: Minnesota Medicaid Department of Human Services, 444 Lafayette Rd. North, St. Paul, MN 55155-3853</p>
Contract Duration	Contract Dates: February 15, 2006 – June 30, 2015, excluding a one-year option
Description of Work	<p>In February 2006, the Ohio Department of Medicaid (formerly the Ohio Department of Job and Family Services) awarded Xerox a contract to provide pharmacy services and implement our pharmacy point-of-sale (POS) claims processing system (implemented July 2006) for the Ohio Medicaid program. In January 2008, we implemented our CyberAccess Internet portal that enables providers to access patient pharmacy records and verify drug prior authorization status; in September 2009 we upgraded the pharmacy POS system; and in January 2010 we expanded CyberAccess capabilities to include e-prescribing. All projects were completed according to schedule. The Ohio Medicaid program processes approximately 15.4 million claims annually on behalf of 450,000 fee-for-service (FFS) members.</p> <p>Our services include:</p> <ul style="list-style-type: none"> • Pharmacy claims processing/Pro-DUR • Call center services • Automated prior authorization (PA) using Xerox-developed SmartPA • Federal rebate administration • Supplemental rebate negotiation and administration • Preferred drug list (PDL) • Provider education • CyberAccess Internet portal for providers including e-prescribing • Claims data warehouse/Reporting • SMAC/State Reimbursement Methodologies

Staffing

Per Attachment B of our proposal, Xerox considers this staffing section to be proprietary and confidential.

3.3. Staffing with experience in the administration of a RetroDUR program including:

3.3.1 Medical Director

William Nicholas, M.D., FRCP (C), FACP, FACE. Dr. Nicholas has over 45 years of professional experience in the medical field, specializing in internal medicine and endocrinology, and has served as a medical consultant to Xerox for two years. Dr. Nicholas' teaching and medical practice began in Ontario, Canada, where he was an active member of the Ontario Medical Association and served as Head of the Division of Medicine at McMaster Medical Center and President of the Hamilton Academy of Medicine, both in Hamilton, Ontario. Dr. Nicholas' moved to the United States early in his medical career, serving as Director of the Ambulatory Care Program at the University of Mississippi Medical Center and establishing and serving as the head of the Division of General Internal Medicine for 18 years. Dr. Nicholas taught and practiced both general internal medicine and endocrinology in Mississippi until his retirement in 2012. In addition to serving as a medical consultant to Xerox, Dr. Nicholas is currently a consultant to the Public Employees of Mississippi Retirement Program, sitting on the Appeals Disability Committee. As Medical Director for the West Virginia RetroDUR program, Dr. Nicholas will provide case consultation on medical necessity and the management of complex cases and will provide expert medical opinion on quality issues.

3.3.2 One or more pharmacists, one of which has specialty certification in mental health agents. One of these assigned pharmacists must attend quarterly DUR Board meetings and make presentations regarding RetroDUR activity and proposals for population based educational interventions for Medicaid prescribers

Account Manager Larry Dent, Pharm.D. Dr. Dent will continue to serve as account manager and as a pharmacist under the new contract. As Account Manager, Dr. Dent serves as the single point of contact and accountability for BMS and as the management liaison to executive staff leadership. Responsible for ensuring overall contract compliance as stipulated by BMS, Dr. Dent oversees management of supervisory staff, training and budget; ensures continuity of operations; and provides regular reports and information to BMS.

Dr. Dent has over 30 years of experience in healthcare including practice in clinical pharmacy, pharmaceutical education, and retail pharmacy management and has been board certified in Pharmacotherapy since 1994. Since joining Xerox in 2011 and serving as account manager for the current West Virginia RetroDUR contract, Dr. Dent has provided governmental healthcare services for several states including Texas, Minnesota, Mississippi, Montana, Arkansas, and Kansas. Dr. Dent has a deep understanding of the West Virginia Medicaid program and its stakeholders and will continue to ensure a high level of service to BMS.

Mental Health Pharmacist Douglas Brink, Pharm.D. Dr. Brink has over 30 years of healthcare experience with specialization in clinical and psychiatric pharmacy, including direct West Virginia RetroDUR program experience. Serving as Clinical Coordinator for Xerox since 2001, Dr. Brink currently provides RetroDUR related services for West Virginia, Texas, Minnesota, Missouri, and Virginia Medicaid. Dr. Brink has a broad knowledge of and practical experience in developing therapeutic plans, criteria, and performance indicators for treatment of various diseases and in anticipating

and recognizing patient problems. Dr. Brink drives the development of new population-based criteria and proposals as well as coordinates population-based interventions, academic detailing publications, newsletters, and related RetroDUR client services. Dr. Brink will be directly involved in customizing the DUR criteria and creating and perfecting intervention content. Dr. Brink will attend quarterly DUR Board meetings and make presentations regarding RetroDUR activity and proposals for population based educational interventions for Medicaid prescribers.

3.3.3 A database analyst

As required, our solution includes a database analyst. The database analyst works with various staff to provide an understanding of the data structures and the most efficient use of data resources, and manages the database environments, making necessary adjustments to maintain peak performance.

3.3.4 A Help Desk, available from 9:00 am to 5:00 pm ET, for answering inquiries from members, prescribers, or pharmacy providers regarding the Lock-In Program and any other inquiries about the RetroDUR Program.

Xerox will continue to provide a toll-free telephone Help Desk to respond to inquiries from members, prescribers, and pharmacy providers regarding the West Virginia lock-in program and RetroDUR program. Consistent with requirements, the Help Desk will be available from 9:00 a.m. to 5:00 p.m. ET, Monday through Friday. Under the new contract, our Help Desk in Richmond, Virginia will continue to respond specifically to inquiries related to the West Virginia lock-in program, and our Henderson, North Carolina call center responds to all other West Virginia RetroDUR program inquiries. Both Help Desks are professionally staffed with clinical and pharmacy services specialists to ensure a professional, responsive customer service experience.