

December 9, 2022

SJVIA Board Meeting: Consultant's Report on Pharmacy Benefit Manager Consultant Request for Proposal Results

Background

The San Joaquin Valley Insurance Authority (SJVIA) contracts with a Pharmacy Benefit Manager (PBM) Consultant, Keenan Pharmacy Services, to monitor the financial and operational accuracy of its PBM, EmpiRx. The consultant provides various services, but notably include contract negotiations, claims audits, review of pharmacy rebate payments, and review of clinical programs.

The PBM consultant contract expires on December 31, 2022. A Request for Proposal (RFP) was prepared and released by Keenan & Associates (Keenan) on September 26, 2022, to the following vendors:

- Keenan Pharmacy Services (KPS) - SJVIA's current PBM consultant
- Alliant Insurance Services (Alliant)
- Aon
- Hub International
- Mercer
- Segal

On September 30, 2022, a question-and-answer session was held to allow potential bidders to ask clarifying questions regarding the RFP, at which Mercer and Alliant were in attendance. Afterward, questions were submitted by email from Alliant and Segal, which were responded to on October 3, 2022. Alliant expressed concerns over sharing proprietary data. The RFP clearly outlined proprietary information and trade secrets were to be excluded from all RFP responses. Both Alliant and Segal expressed concern regarding Keenan being the health and welfare consultant conducting the RFP when KPS, a division of Keenan, is SJVIA's current PBM consultant who will be responding to the RFP. In order to reassure bidders, the review process was revised to have responses submitted directly to SJVIA by the deadline of Friday, October 21st by 5 PM PST. The SJVIA would then submit the proposals to Keenan for review. Additionally, the health and welfare consultant was restricted from discussing the RFP with its pharmacy services division during the RFP process and SJVIA has been updated regularly along the review process to ensure the review was being conducted appropriately.

Confirmation of intent to bid was due from potential bidders on October 14, 2022. Aon never responded to the invitation to bid and all but KPS declined to bid on the RFP, with Alliant and Segal citing the belief that a conflict exists with Keenan administering the RFP.

KPS' RFP Proposal

The KPS team is comprised of pharmacy benefit experts with over 35 years of experience consulting with self-funded employer groups and helping them maximize the performance of their PBM.

Looking forward to 2023, KPS will continue to provide consulting services along with the following enhancements:

- Improved reporting with a new quarterly dashboard that provides a snapshot of SJVIA's key insights
- An upgraded software system which will shorten the time needed for auditing
- 32% Fee reduction – the current rate of \$1.25 PMPM will be reduced to \$0.85 PMPM, a savings of approximately \$50,000 annually
- The ability to consolidate the monthly fee billing with the Keenan consulting fee billing

KPS' proposal was reviewed based on completeness, qualifications, and responses to the RFP questionnaire. The scoring was comprised of the following criteria:

Cost Proposal:	25%
Pharmacy Benefit Consulting:	25%
Account Management:	25%
Auditing:	25%

Overall, KPS presented a solid proposal, meeting all of the requirements and answering all of the questions. Highlights include the following for each scoring category.

Cost Proposal: KPS is offering a 32% fee reduction from \$1.25 PMPM to \$0.85 PMPM, for an estimated \$50,000 in annual savings. Keenan is open to consolidating the KPS fee with Keenan's consulting fee to simplify SJVIA billing should the SJVIA have a desire to do so.

Score – 23/25. SJVIA has expressed to Keenan their concern over the amount of KPS' fee. KPS has responded by reducing its fee.

Pharmacy Benefit Consulting: Under KPS' direction, the SJVIA has been the recipient of substantial EmpiRx contract term improvements and audited savings, including:

- Contract enhancements resulting in \$2.8 million in savings between 2020 and 2022 through contract discount pricing improvements and a projected \$7 million in projected savings based on the newest negotiated contract for 2023 through 2025;
- Clinical savings of \$16.7 million in savings since 2018 through prescription review, prior authorization, step therapy, and quantity limits; and

- Prescription drug rebates of over \$11.4 million achieved since 2018; prior to KPS, prescription drug rebates for 2017 were \$400,000

KPS presented examples of other client savings, such as program improvements saving up to \$1.2 million per year, contract negotiations that resulted in \$7 million in savings, and validation of rebates that resulted in \$300,000 additional rebate funds. The reporting capabilities and general services (regular meetings, event attendance, etc.) to be provided are consistent with what a client could expect from a PBM consultant. KPS is developing a new quarterly dashboard which will provide key insights. Additionally KPS has made an investment in their software system for faster processing.

Score – 23/25. KPS has provided substantial savings to SJVIA by working closely with EmpiRx to ensure contract obligations are met, and savings and rebates are maximized.

Account Management: The team assigned to SJVIA has 10 – 30 years of experience in the field and meets the needs of SJVIA. Because KPS is SJVIA's current consultant, there is no transition time or learning curve needed as would be required with a new consultant. The team would maintain regular meetings with SJVIA and its PBM to ensure any issues are addressed and information is shared timely.

Score – 23/25. The assigned team is capable to support SJVIA's needs.

Auditing: KPS audits claims, rebate payments, clinical programs, and contract performance guarantees (see EmpiRx Performance Guarantees). KPS has audited over 530,000 claims for SJVIA since 2018 including:

- Prescription drug rebate audit claims: 77,972 resulting in an additional \$92,254 in Rx rebates for the SJVIA; and
- Clinical intervention claims: 16,829 for drug utilization and clinical review resulting in over \$4,000,000 in saving each year

Score – 23/25. KPS' responses to auditing-related questions were adequate. Although KPS provided examples of how their services benefited other clients, the responses lacked depth in explaining how these savings were achieved.

Overall Score: 92/100

Other Factors

Return on Investment (ROI)

SJVIA staff has had difficulty in seeing the value in KPS based off of the service fee required. KPS is committed to providing an ROI quarterly as part of their KPS Dashboard.

Innovation and Recommendations

KPS has continuously strived to bring SJVIA savings opportunity.

KPS showed that the SJVIA could receive better pricing and greater rebates if prescription drug mail order was emphasized over retail 90. The SJVIA previously decided not to pursue this option; however, it remains an open recommendation that KPS provided.

At the August 26, 2022 Board meeting, KPS brought forth the variable copayment program for specialty prescription drugs, which could result in an additional savings of \$2 million. The SJVIA Board will be receiving this recommendation as an action item at a future board meeting.

Client Examples

As part of the questionnaire, Keenan requested client examples, which KPS provided in full detail.

Recommendation

The next step would be for SJVIA to check references and have finalist interviews. Seeing how the only eligible vendor is the incumbent, Keenan will look to the SJVIA staff for direction if one or both activities are still needed.

KPS has provided a proposal that established their ability to oversee the SJVIA's PBM to identify savings and additional funding which would not otherwise be obtained. As such, it is Keenan's recommendation to award the PBM consulting contract to KPS.

Appendix

- KPS Value Proposition
- KPS Sample Dashboard
- SJVIA / EmpiRx Performance Guarantees
- KPS Questionnaire Responses

Appendix – KPS Value Proposition

EXHIBIT H – Vendors Value Proposition (Due with RFP Response)

Vendor Name

Keenan & Associates

Please provide your value proposition to the SJVIA in no more than 1,000 words in the box immediately below.

The KPS team is comprised of pharmacy benefit experts with over 35 years of experience consulting with self-funded employer groups and helping them maximize the performance of their PBM. As your pharmacy consultants we are your PBM advocate, negotiating on your behalf and holding the PBM accountable for their operational and financial performance.

For the last four years, KPS has:

- Leveraged our relationship with EmpiRx for preferred partner pricing for SJVIA
- Negotiated with EmpiRx for SJVIA contract pricing improvements; from 2020 to 2022 negotiation improvements resulted in \$2.8M in savings.
- Evaluated and recommended options for managing specialty products
- Ensured quarterly rebate calculations and payments are in accordance with the contract
- Conducted annual audits of contract compliance, performance guarantee reconciliations, and validated clinical savings
- Prepared and provided annual and quarterly trend reports with key insights
- Represented and advocated for SJVIA's needs to EmpiRx
- Provided a dedicated account manager to attend board meetings, benefit fairs and bi-weekly calls SJVIA staff and bi-weekly calls with EmpiRx on behalf of SJVIA

Looking forward to 2023, we will continue provide all the above with the following enhancements:

- Improved reporting with a new quarterly dashboard that provides a snapshot of SJVIA's key insights
- An upgraded software system which will shorten the time needed for auditing
- 32% Fee reduction – the current rate of \$1.25 PMPM will be reduced to \$0.85 PMPM, a savings of approximately \$50,000 annually
- We also have the ability to consolidate the billing of our monthly fee with the billing of the Keenan consulting fee, if SJVIA prefers

In the all the years Keenan Pharmacy Services has been in business; we have prided ourselves in developing innovative solutions to meet our client's needs. We will continue to stive for further improvements to SJVIA's goals and overall savings,

I certify that my value proposition is a true reflection of my company.

Name of Authorized Representative

Howard Mazzafro

Signature of Authorized Representative



Date

10/21/2022

Phone # of Authorized Representative

(310) 903-6273

Email of Authorized Representative

hmazzafro@keenan.com

Appendix – Sample KPS Dashboard



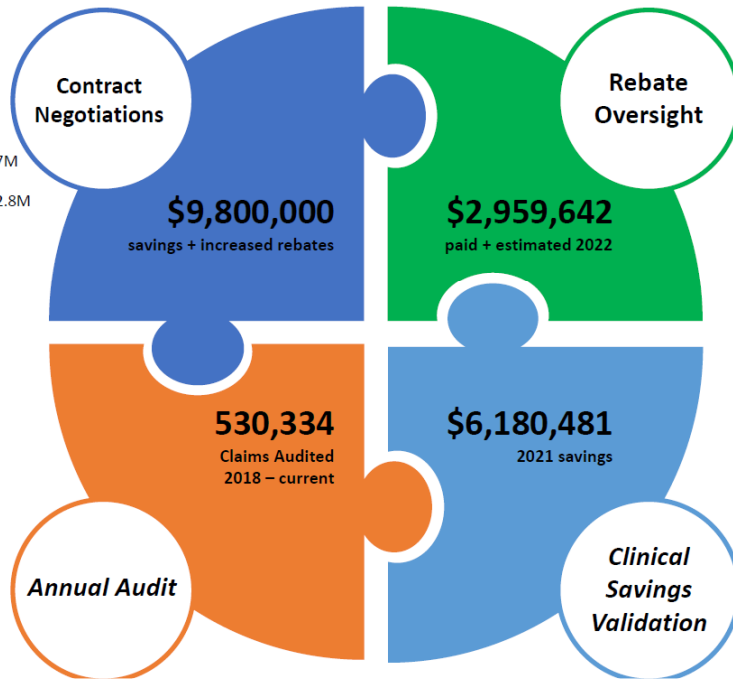
Keenan Pharmacy Services

Contract Negotiations

- 2023 to 2025 Negotiation Improvements \$7M
- 2020 to 2022 Negotiation Improvements \$2.8M

KPS Audit

- 2018 to Current audited 530,334 claims
- AWP Discount Guarantee = 435,533 claims
- Clinical = 16,829 claims
 - Intervention Types: Drug Utilization Review and Clinical (Includes: Prior Authorization, Quantity Limit, Step Therapy)
- Rebates = 77,972 claims
- Audits resulted in **additional rebate payment of \$92,254**



Rebates

Year	Paid \$
2018	\$1,338,510
2019	\$1,783,662
2020	\$2,522,388
2021	\$2,803,988
2022 Est	\$2,959,642
Paid to Date + 2022 Estimate	\$11,408,190

Clinical Savings

Clinical		
Year	Net Savings	Notes
2018	\$4,247,988	12 Months
2019	\$4,213,543	12 Months
2020	\$2,102,574	6 Months (Jan-Jun 2020)
2021	\$6,180,481	18 Months (Jul 2020 to Dec 2021)

Appendix – SJVIA / EmpiRx Performance Guarantees

SJVIA PBM Performance Guarantee Requirement for 2023 Effective Date

Maximum at Risk: 6% of Prescription Drug Administration Fee*

*SJVIA retains the right to adjust the weighting of overall fees/retention/premium at risk to emphasize performance measures that are attributable to the SJVIA’s own experience.

Performance Category	Description	Penalty Calculation		Measurement / Reporting Period	Amount at Risk	Notes
Claims Accuracy - Retail	The percent of retail claims processed without payment errors will be 99.00% or greater	Result 99.00% or better 98.00% to 98.99% 97.00% to 97.99% 96.00% to 96.99% Less than 96.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. The percent of retail claims processed without payment errors will be 99.00% or greater
Claims Accuracy - Mail Order	The percent of mail order claims processed without payment errors will be 99.00% or greater	Result 99.00% or better 98.00% to 98.99% 97.00% to 97.99% 96.00% to 96.99% Less than 96.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. The percent of mail order claims processed without payment errors will be 99.00% or greater.
Dispensing Accuracy – Retail	The dispensing accuracy rate will be 99.00% or greater for retail order	Result 99.00% or better 98.00% to 98.99% 97.00% to 97.99% 96.00% to 96.99% Less than 96.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. The dispensing accuracy rate will be 99.00% or greater for retail order
Dispensing Accuracy – Mail Order	The dispensing accuracy rate will be 99.00% or greater for mail order	Result 99.00% or better 98.00% to 98.99% 97.00% to 97.99% 96.00% to 96.99% Less than 96.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. 99% of Covered Drugs mailed by the mail order Network Pharmacy to Covered Persons on an annual basis will be the correct drug, at the correct strength, and the correct dosage (excluding errors by the prescriber).
Claim Processing Turnaround Time - Mail Order Claims (not requiring Intervention)	Provide mail order turnaround time for clean electronic claims of 99.00% of claims not requiring intervention processed within an average of two (2) business days	Result 99.00% or better 98.00% to 98.99% 97.00% to 97.99% 96.00% to 96.99% Less than 96.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. 99% of Covered Drugs mailed by the mail order Network Pharmacy to Covered Persons on an annual basis shall be dispensed and mailed within 2 business days of receipt of a clean Claim, excluding specialty drug Claims.
Claim Processing Turnaround Time - Mail Order Claims (requiring Intervention)	Provide mail order turnaround time for electronic claims requiring intervention of 98.00% of claims processed within an average of five (5) business days	Result 98.00% or better 97.00% to 97.99% 96.00% to 96.99% 95.00% to 95.99% Less than 95.00%	Penalty 0% 25% 50% 75% 100%	Measurement Period Annual Reporting Period Quarterly	1.00%	Confirmed. 99% of Covered Drugs mailed by the Mail Order Pharmacy to Covered Persons on an annual basis shall be dispensed and mailed within 5 business days of receipt of prescriptions requiring intervention, excluding Specialty Drug Claims.

Appendix – SJVIA / EmpiRx Performance Guarantees (continued)

Performance Category	Description	Category	Measurement / Reporting Period	Performance Guarantee	Notes	
Prescription Drug Rebates	Provide 2023 Performance Guarantees for prescription drug discounts. Explain how prescription drug rebates earned by the SJVIA's prescription drug utilization apply to the SJVIA.	<u>Rebate Category</u>	<u>Number of Scripts</u>	<u>Measurement Period</u>	<u>\$ per Script</u>	If the Rebate Categories are incompatible with you calculations of rebates, please substitute for 1) Tier 1-4 (Retail and Mail Order), or 2) Generic, Formulary Brand, and Specialty (Retail and Mail-Order)
		Retail 30-day supply	467	Quarterly	\$190.00	
		Retail 90-day supply	189		\$475.00	
		Retail Specialty	17		\$1,800.00	
		Mail Order	31	<u>Reporting Period</u>	\$500.00	
Specialty Mail Order	51	Quarterly	\$1,800.00			
Prescription Drug Discounts	Provide 2023 Performance Guarantees for the AWP or MAC discounts of the prescription drug program.	<u>Discount Category</u>	<u>Number of Scripts</u>	<u>Measurement Period</u>	<u>Discount %</u>	Indicate whether discount off of AWP or MAC - AWP
		Retail Generic 30-day supply	3,059	Quarterly	85.00%	
		Retail Formulary 30-day supply	1,072		19.00%	
		Retail Specialty 30-day supply	72		19.00%	
		Retail Generic 90-day supply	1,656	<u>Reporting Period</u>	86.00%	
		Retail Formulary 90-day supply	226	Quarterly	23.00%	
		Retail Specialty 90-day supply	8		19.00%	
		Mail-order Generic	107		90.00%	
		Mail Order Formulary	32		25.50%	
		Mail Order Specialty	56		23.00%	
Prescription Drug Dispensing Fee	Provide 2023 Performance Guarantees for the dispensing fee of the prescription drug program.	<u>Dispensing Fee Category</u>	<u>Number of Scripts</u>	<u>Measurement Period</u>	<u>Dispensing Fee per Script</u>	
		Retail Generic 30-day supply	3,059	Quarterly	\$1.00	
		Retail Formulary 30-day supply	1,072		\$1.00	
		Retail Specialty 30-day supply	72		\$1.00	
		Retail Generic 90-day supply	1,656	<u>Reporting Period</u>	\$0.50	
		Retail Formulary 90-day supply	226	Quarterly	\$0.50	
		Retail Specialty 90-day supply	8		\$0.50	
		Mail-order Generic	107		\$0.00	
		Mail Order Formulary	32		\$0.00	
		Mail Order Specialty	56		\$0.00	
Prescription Drug - Clinical Management	Provide 2023 Performance Guarantees for the clinical management of the prescription drug program. Clinical management will be measured based claim by claim intervention by the carrier and the dollar cost impact of the intervention.	<u>All Prescription Drugs</u>	<u>Number of Scripts</u> All scripts are run through our Population Health Model.	<u>Measurement Period</u> Annual <u>Reporting Period</u> Annual	<u>2023 Guaranteed Dollar Cost Savings from Clinical Management</u> \$1,250,000	There is an expectation that the carrier will provide prescription drug clinical management including but not limited to: 1) working with the SJVIA member's providers, to review scripts, recommend lower costing drugs with greater efficacy (when appropriate), 2) applying quantity limits, 3) applying starter dosages, 4) requiring prior authorization for certain drugs

* All Performance Guarantees will be measured on an annual basis.

Appendix – KPS Questionnaire Responses

QUALIFYING QUESTIONS				
Responses to the following are required for your proposal to be considered responsive, but will NOT be rated.				
Question #	Question	Response		Comments/Details
1	Name of Firm: Keenan & Associates			
Required Documentation & Disclosure				
2	Have you provided company's Certificate of Liability Insurance?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
3	Has your company completed all required forms as part of this RFP?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4	Does your company agree to the following statement? "The undersigned hereby offers and agrees to furnish the services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the SJVA. This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; and the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer."	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
5	Does your company agree to the following statement? "By submitting a proposal, we acknowledge and agree to the following: - Receipt of and agree that the submitted proposal is based on the RFP and any identified addenda. - Failure to indicate receipt of addenda may result in the proposal being rejected as non-responsive. - To constitute a responsive proposal, all pages of the proposal questionnaire and required forms must be submitted. - Under penalty of perjury under the laws of the State of California that the proposal is true and correct and the Proposer agrees to the terms and conditions in the proposal."	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
6	Does your company agree to the following statement? "By submitting a proposal, we acknowledge that we will have to comply with the SJVA's General Contracting Provisions."	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
7	Does your company have any potential or perceived conflict of interest involving relationships your company may have with the SJVA's current or prospective service providers, governing authorities, advisors, or other interested parties? If you answered "Yes," please describe the nature of the relationship(s).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
8	Assuming a ratification clause is included into the Contract, is your company willing to provide services to the SJVA prior to the full execution of a completed Contract?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	NA, Keenan Pharmacy Services is the incumbent.
9	Please acknowledge that your firm meets the minimum criteria for this RFP: a. Legally authorized to do business in the State of California and all required permits and licenses are in full force at the time of proposing. b. Have a minimum of five (5) continuous years of experience providing the services solicited in this RFP. c. Certify that neither Proposer nor its principals are presently disbarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, any California State agency, or any local governmental agency. d. Must have experience of working with like sized groups (1,000 to 10,000 covered employee lives).	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	
10	Is your company a subsidiary or affiliate of another company? a. If you answered "Yes", provide your company's parent company name and, if applicable, percentage of ownership. b. If you answered "Yes", describe the nature of the business of the parent firm. Provide full disclosure of all direct or indirect ownership.	<input checked="" type="checkbox"/> Yes AssuredPartners	<input type="checkbox"/> No 100%	Insurance Brokerage, Consulting, Financial Services, InsurTech, and related insurance solutions. AssuredPartners Capital, Inc.: Parent Company: Owns 100% of Keenan shares 450 S Orange Avenue, 4th Floor, Orlando, FL 32801 (FEIN 45-2712335) AssuredPartners, Inc.:Ultimate Parentowns 100% of AssuredPartners Capital, Inc. 450 S Orange Avenue, 4th Floor, Orlando, FL 32801 AssuredPartners is an insurance and employee benefit brokerage and consulting firm. Assured Partners Capital acquired 100% of Keenan & Associates' shares on 3/31/2017.

RATED QUESTIONS - The following questions will be used to rate your proposal.				
ORGANIZATIONAL STRENGTH AND PLAN SPONSOR SERVICES				
Background				
11	Describe any pending agreements to merge or sell your company or any portion thereof, or your parent company; or any pending or anticipated plans to reorganize your company within itself or as part of the larger organization of which your company is a part.	Currently there are no pending agreements to merge or sell AP Keenan or our parent company, AssuredPartners (AP). Furthermore, there are no planned future sales of any division or part of AP Keenan and AP. However, as appropriate, when AP examines the acquisition of other insurance firms, if those firms focus on public sector clients, AP Keenan is utilized to evaluate and oversee the transition process.		
12	Has your company had a change in senior management (Including CEO, CFO, CIO or Other Executive Management) in the last five years? Indicate the average tenure in years of senior management.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Keenan’s senior management has been the same for more than five years. Average leadership tenure is more than 25 years.
13	Will any portion of this contract be outsourced or subcontracted to other companies? If so, indicate what percentage and whether these entities are domestic or foreign-domiciled.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No portion of this contract will be outsourced or subcontracted to other companies.
	If you answered “yes”, provide the following information for each subcontractor who will receive more than 5% of the total fee proposed for this RFP:	N/A		
	- part of contract being subcontracted	N/A		
	- name of subcontractor	N/A		
	- contact name for the subcontractor	N/A		
	- contact’s title	N/A		
	- mailing address for subcontractor	N/A		
	- business address (if different from mailing address)	N/A		
	- business telephone number	N/A		
	- description of work to be subcontracted	N/A		
	- reason for subcontracting	N/A		
- percent of total contract to be subcontracted	N/A			
- dollar amount to be subcontracted	N/A			
- subcontractor’s work experience (in years) and level of responsibility	N/A			
- experience (in years) your firm has worked with subcontractors for the services being subcontracted	N/A			
14	Please provide the most recent ratings, include the rating date, for your company by the following:	Rating	Date	Since Keenan Pharmacy Services is the broker, and not the carrier, these do not apply.
	a. Standard and Poor’s			N/A
	b. Fitch			N/A
	c. A.M. Best			N/A
	d. Moody’s			N/A
e. If your firm is not rated, submit documentation of a similar nature, which attests to your firm’s financial stability.			N/A	
15	Indicate if there have been any downgrades in your ratings in the last 3 years, and if so indicate to what they are attributable.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	N/A

Contractual Issues			
16	In the past five years, has your company been involved in any complaint and/or litigation or been investigated/reprimanded by any regulatory authority?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If you answered "Yes", please provide the following additional details in chronological order from most recent to oldest.		Please refer to the litigation and claims naming document included with this proposal.
	- type of complaint and/or litigation filed	Please refer to the litigation and claims naming document included with this proposal.	
	- date you were notified of complaint and/or litigation	Please refer to the litigation and claims naming document included with this proposal.	
	- date the complaint and/or litigation was resolved	Please refer to the litigation and claims naming document included with this proposal.	
	- was the complaint and/or litigation filed with a state or federal regulatory agency or office?	Please refer to the litigation and claims naming document included with this proposal.	
	- provide details regarding the complaint and/or litigation	Please refer to the litigation and claims naming document included with this proposal.	
	- describe the final outcome of the complaint and/or litigation	Please refer to the litigation and claims naming document included with this proposal.	
17	In the past five years, has your company had a license to do business, an agent/broker license or any other license revoked or suspended?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If you answered "Yes", please provide the following additional details in chronological order from most recent to oldest.		N/A
	- item revoked (license to do business, agent/broker license/other insurance license)	N/A	
	- was the item revoked or suspended?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	- date of revocation or suspension	N/A	
	- date revocation or suspension ended	N/A	
	- provide details regarding the revocation or suspension	N/A	
	- describe the final outcome of the revocation or suspension	N/A	
18	In the last five years, has your company or its subsidiaries ever filed or been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? [Yes/No]	NO	
	If you answered "Yes", please provide the following additional details in chronological order from most recent to oldest.		
	- define whether your company or its subsidiaries have ever (1) filed for bankruptcy/insolvency, (2) been petitioned into bankruptcy/insolvency, and/or (3) made any assignment for the benefit of your creditors	N/A	
	- date for the filing, petition, and/or assignment	N/A	
	- provide details regarding the filing, petition, and/or assignment	N/A	
Firm Experience			
19	Please indicate by answering 'Yes' or 'No', in the last 12 months, if your firm has:		
20	Public Entity Experience - Confirm that you have submitted the required references.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Regulatory and Compliance			
21	Describe your process for notifying clients of legislative changes that impact their plan(s). Be specific on your methods for outreach and whether it includes plan sponsors, members, or both.	AP Keenan's Legal Department maintains dedicated personnel who regularly track both pending and newly enacted legislation to provide updates to our clients promptly. This information is communicated through briefings, webinars, and on-site meetings, as well as through regular contact from your service team. . Our website, www.Keenan.com, features briefings, on-demand webinars, the AP Keenan Blog (which includes industry trends, additional legislative notices, and other insurance-related information), and many other resources.	
22	Do you have a formal Health Insurance Portability and Accountability Act (HIPAA) compliance plan in place? If yes, attach a copy to your proposal.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
23	Do you have a website that details information about your policies and procedures for accepting and sending Electronic Data Interchange (EDI) transactions? If so, please indicate the website.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
24	Where does your Companion Guide for HIPAA EDI transactions reside?	Our HIPAA policies (for both HIPAA Privacy and Security sections) are available and accessible for employees on the company Intranet. They are reviewed, updated, and redistributed annually.	
25	Will your organization be issuing Notices of Privacy Practices as required by HIPAA to each new plan enrollee? At what cost and who bears the cost?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Systems and Cybersecurity			
26	What is the frequency of your internal security reviews , assessments, and penetration tests for your systems/application/websites?	Annually	
27	Describe your response plan in the event of a data security breach.	The company has an Incident Response Plan that includes escalation to IT, Counsel, and Executive management. (Tested annually)	
28	Describe primary elements of your disaster recovery plan and indicate how often you test your recovery plan?	The company has a Disaster Recovery Plan. (Tested annually) Our systems are largely cloud solutions. Geo-redundancy and failover are a large part of the resilience for our systems. Backup recovery is cloud based also, is in a separate instance, and encrypted at rest and in motion.	
29	Regarding your recordkeeping systems, please describe your record retention and destruction policy, including how long records are retained.	The claims and eligibility data that would be provided to Keenan under this contract will be kept until it is no longer necessary for auditing purposes.	
30	Describe your recordkeeping software system including:		
	a. When your recordkeeping system was first put into place	The claims and eligibility data that would be received under the proposed contract would be kept in MS SQL Database. This software has been used by Keenan for more than 20 years.	
	b. Whether the software was developed internally, leased, or purchased from another provider and if the system is leased or subcontracted	MS SQL Database is off the shelf software provided by Microsoft.	
	c. Who has the ultimate responsibility/authority to make sure the software remains current with respect to laws, regulations, and client needs	Microsoft controls the software and provides patches and updates.	
31	When was the last major system enhancement and what was the nature of the enhancement?	We don't control this. We are limited to applying Microsoft provided updates.	
32	Are you going through any system conversions or major changes/enhancements now or in the next three years? If so, please describe and give the schedule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	We currently have no plans to move away from Microsoft MS SQL.

EVALUATION OF PBM	
33	What steps does your firm take to ensure PBM contract compliance?
	We conduct comprehensive analysis of the PBM contract terms and SJVIA’s benefit plan to ensure contract compliance. Once baseline performance is established, we review PBM claim data on a monthly basis and provide a quarterly assessment of plan performance relative to rebates, financial guarantees, Specialty drug utilization, and any notable trends in plan results.
34	Provide three examples of PBM performance deficiencies that were identified and corrected by your firm.
	<p>Example 1: We validate all quarterly rebate payments. Through this process we noticed a PBM was excluding brand drugs from a client’s rebate calculations that should have been included per the contract. This resulted in an additional \$300K in rebates paid to the client due to our oversight.</p> <p>Example 2: KPS monitors all PBM operational guarantees and commitments. Last year we captured an additional \$60K for a school district, where we identified the PBM had missed on two guarantees (timing of reports and errors). Keenan Pharmacy Services ensures all associated penalties are paid accordingly and correctly.</p> <p>Example 3: Through our audit services, we identified that the PBM did not load the new improved pricing for several clients. This resulted in the PBM having to reprocess and credit back these clients for the claims they were overcharged along with the operational performance guarantee penalty paid for each.</p>
35	In the past, under what circumstances have you recommended termination of a PBM contract?
	We review our client's current PBM contract and often times find outdated pricing terms and language that allowed the PBM to retain revenue that we believed belonged to the client. This ultimately led to our recommendation that our client seek termination of current contract to negotiate better terms elsewhere.
Rx BENEFIT CONSULTING	
36	Provide examples of how your firm has improved PBM programs for three of your clients.
	<p>Client A - Implemented custom manufacturer assistance program which saved client \$1.2m annually.</p> <p>Client B - Conducted annual market check which resulted in \$750K in contract savings over two years.</p> <p>Client C - Designed custom specialty carve out program which improved rebate performance by 20%.</p>
37	Provide examples of the types of reports the SJVIA would expect to receive and the frequency of each report.
	<p>Here are the reports we are currently providing to SJVIA:</p> <ul style="list-style-type: none"> • Consultant's Report: Custom report that outlines key performance metrics on a quarterly basis. • Annual Contract Reconciliation Report: • Annual and quarterly trend reports with key insights. • Quarterly Dashboard
38	The SJVIA is looking for creative and out-of-the-box solutions to include as part of its strategic initiatives planning, focused particularly on (a) identifying clear and actionable core goals for influencing member behaviors in order to improve treatment outcomes and population health and (b) establishing/executing strategies over well-defined time frames in order to foster plan sponsor and service provider accountability. Please describe your ability to partner in this area and describe unique and demonstrated solutions you may have implemented for other clients.

	<p>KPS will continue to meet with SJVIA on a quarterly basis to review plan performance trends and identify areas for improvement. We will collaborate with SJVIA and EmpiRx to identify programs that will enhance member experience while also providing financial savings to SJVIA. In addition, the KPS team meets weekly taking the opportunity to continue to learn and understand SJVIA's core goals. Members and providers play an important role in implementing strategies that improve pharmacy outcomes. Through our partnership with EmpiRx, we are able to create customized member communications and work directly with providers to ensure all strategies are implemented.</p>
ACCOUNT MANAGEMENT	
39	Provide a list of the team members that will be assigned to the SJVIA account and their background.
	<p>SJVIA has the following support of our Keenan Pharmacy Services Account Management Team:</p> <ul style="list-style-type: none"> • Your Senior Account Manager Robert Welker has 10+ years in PBM/Pharmacy Consulting and a proven track record of client satisfaction and improving outcomes • Michael Varma, Senior PBM Analyst has over 30 years PBM experience • Sarita Shukla, PBM Analyst has over 15 years PBM experience • Anthony Ruggeri, PBM Analyst has over 10 years PBM experience
40	What types of regular meetings would you recommend and at what frequency?
	<p>Keenan Pharmacy Services recommends bi-weekly meetings with SJVIA to address escalated member issues, recommendations, plan improvements, and PBM news/industry updates.</p>
41	Who would be the primary point of contact and what is the expected response time for phone calls and emails? In the event of this person’s absence, who are the backup contacts?
	<p>Robert Welker is your primary point of contact. His response time is 4 hours or less. In the event of his absence, Michele Porter (Director of Account Management) is available to assist.</p>
UNDERWRITING	
42	Provide examples of reports analyzing utilization, drug costs, and claims that the SJVIA would expect to receive.
	<p>Please refer to the following SJVIA reports via zip file, included with this proposal:</p> <ul style="list-style-type: none"> • Consultant's Report: Custom report that outlines key performance metrics on a quarterly basis • Annual Contract Reconciliation Report • 2021 KPS Audit • Quarterly Dashboard
AUDITING	
43	How will you ensure that the SJVIA is getting the best pricing?
	<p>With over 35 years’ experience in the pharmacy management space we are able to leverage our relationship with EmpiRx for preferred partner pricing and negotiate best in class pricing for and on behalf of SJVIA. Pharmacy benefits is our sole focus, and we are fully immersed and in tune with the ever-changing pharmacy market and industry trends.</p>
44	What will be audited regularly by your firm?

	<p>1.Contract Review/Assessment KPS will review the Contract Agreement to identify contractual requirements, definitions and guarantees. This information will be used as the baseline for the audit.</p> <p>2.AWP Audit Calculate Extended AWP at the drug line level and audit against AWP in the data file provided by PBM to ensure accuracy and alignment to Medispan (national recognized pricing source).</p> <p>3.Discount Guarantee and Rebate Audit Audit performance and contractual guarantees for all channels and tiers to include: <ol style="list-style-type: none"> 1. Proper Brand and Generic Classification 2. Contractual Exclusions 3. Brand Discounts; Retail, Mail and Specialty 4. Generic Discounts; Retail, Mail and Specialty 5. Dispensing Fees; Retail, Mail and Specialty 6. PBM and Rebate Reports vs KPS results </p> <p>4.Audit Findings KPS will discuss with EmpiRx senior leadership, all financial discrepancies or monetary recoveries identified.</p> <p>5.Final Audit Report A report containing audit findings will be provided within 90 days of receiving required information to conduct audit. KPS will meet with client to review audit findings.</p>
<p>45</p>	<p>Provide examples of the types of reporting that would be provided based on auditing practices.</p>
	<p>Audit results are captured in the following reports: Annual Contract Reconciliation Summary, Consultant's Report, and Dashboard included with this proposal.</p>
<p>46</p>	<p>Provide annual cost savings obtained by your firm for three of its clients and how these savings were achieved.</p>
	<p>Client A: Contractual Improvement Savings \$1.25M, Clinical Savings Program \$1.3M, Specialty Copay Program \$475,160.</p> <p>Client B: Contractual Improvement Savings \$6.8M, Clinical Savings Program \$3.4M, Specialty Copay Program \$1.5M.</p> <p>Client C: Contractual Improvement Savings \$4.2M, Clinical Savings Program \$1.3M.</p>
<p>General</p>	
<p>47</p>	<p>What differentiates your PBM Consulting services from your competitors?</p>

	<p>KPS provides full comprehensive pharmacy services for a wide range of industries and challenges faced with the pharmacy industry. Our primary focus is pharmacy management, consulting and auditing solutions. Our audits are completely independent from the PBM ensuring contract compliance and appropriate rebate administration.</p> <p>Our team includes subject matter experts within each area of pharmacy management, financial, clinical, operational, contracting, reporting and analytics.</p> <p>We leverage our extensive pharmacy experience and industry experience to assess your pharmacy operational needs, improve operational efficiencies, identify improvement strategies and then execute on these strategies to ensure the desired results are achieved.</p>
<p>48</p>	<p>SJVIA expects that the selected company will need to gain intimate knowledge and insight into SJVIA, its mission, vision and current functional strategies as well as its go forward strategies. The Bidder should clearly articulate how the Bidder would gain these insights and leverage in relation to the potential Services being proposed.</p>
	<p>As your current PBM consultant, KPS will continue to work very closely with SJVIA and EmpiRx to ensure all proposed benefit strategies are aligned with the goals of your plan.</p>
<p>49</p>	<p>SJVIA expects that the select company would develop a comprehensive strategic plan and roadmap for identifying and implementing pharmacy benefit solutions that best meets SJVIA’s needs. Please outline the process your company would follow to develop the comprehensive strategic plan and roadmap.</p>
	<p>Through a series of meetings, the KPS consulting team will meet with SJVIA to identify both long- and short-term goals along with the initiatives and tasks that need to be completed to achieve those goals. The KPS team works directly with EmpiRx to strategize and implement solutions that meet SJVIA's goals. KPS proactively reviews SJVIA data, industry trends and market conditions to ensure that the SJVIA plan is ahead of the market.</p>
<p>50</p>	<p>Describe how you will assist in providing PBM contract negotiation on behalf of SJVIA.</p>
	<p>With over 35 years’ experience in the pharmacy management space, we are able to leverage our relationship with EmpiRx for preferred partner pricing, and negotiate best in class pricing for and on behalf of SJVIA. Pharmacy benefits is our sole focus, and we are fully immersed and in tune with the ever-changing pharmacy market and industry trends.</p>
<p>51</p>	<p>How will you support SJVIA with the assessment and implementation of new pharmacy programs/services?</p>
	<p>The KPS team proactively reviews data and analytics seeking opportunities to improve the plan. KPS works closely with EmpiRx to review pharmacy analytics to ensure the plan is taking advantage of the pharmacy programs that could potentially provide value. KPS manages the initial research as well as managing the implementation and oversight with the PBM.</p>
<p>52</p>	<p>How will you help SJVIA effectively evaluate, prioritize and phase in appropriate pharmacy management techniques that are aligned with SJVIA’s objectives?</p>
	<p>Opportunities for more advanced clinical management approaches will be identified during our strategic planning and review of plan performance. KPS will continue to work with SJVIA and EmpiRx, to identify those programs and initiatives that would be most effective clinically and financially for SJVIA and your membership.</p>

<p>53</p>	<p>Describe your approach for auditing and validating contractually guaranteed clinical savings.</p> <p>Clinical savings are calculated for each individual clinical intervention (Drug Utilization Review, Prior Authorization, Quantity Limit, Step Therapy). Calculated savings are conducted at each claim level to ensure the savings are accurate and did occur, as illustrated by PBM.</p>
<p>54</p>	<p>Describe your approach to auditing PBM contract performance as it pertains to AWP discounts, dispensing fees, and rebates.</p>
	<p>1.Contract Review/Assessment KPS will review the Contract Agreement to identify contractual requirements, definitions and guarantees. This information will be used as the baseline for the audit.</p> <p>2.AWP Audit Calculate Extended AWP at the drug line level and audit against AWP in the data file provided by PBM to ensure accuracy and alignment to Medispan (national recognized pricing source).</p> <p>3.Discount Guarantee and Rebate Audit Audit performance and contractual guarantees for all channels and tiers to include: <ol style="list-style-type: none"> 1. Proper Brand and Generic Classification 2. Contractual Exclusions 3. Brand Discounts; Retail, Mail and Specialty 4. Generic Discounts; Retail, Mail and Specialty 5. Dispensing Fees; Retail, Mail and Specialty 6. PBM and Rebate Reports vs KPS results </p> <p>4.Audit Findings KPS will discuss with EmpiRx senior leadership, all financial discrepancies or monetary recoveries identified.</p> <p>5.Final Audit Report A report containing audit findings will be provided within 90 days of receiving required information to conduct audit. KPS will meet with client to review audit findings.</p>
<p>55</p>	<p>Describe your approach to auditing PBM contract performance as it pertains to PBM performance (claim accuracy, turnaround time, etc.)</p>
	<p>Please refer to our response to question #54 above.</p>
<p>56</p>	<p>Describe how you will support SJVIA’s Leadership team to ensure optimal PBM contract performance.</p>
	<p>As your current PBM consultant, KPS will continue to work very closely with SJVIA and EmpiRx to ensure all proposed benefit strategies are aligned with the goals of your plan.</p>
<p>57</p>	<p>How will you identify if the contracted PBM provider has failed to meet any negotiated performance standards? Will you determine if any monetary penalties are owed to SJVIA?</p>
	<p>The KPS team audits all clinical and financial guarantees on a quarterly (for rebates) and annual basis. If monetary penalties apply, we will work directly with the PBM to ensure SJVIA is compensated appropriately.</p>

58	Describe how you will be a liaison and advocate for SJVIA with PBM leadership?
	KPS has direct access to EmpiRx's CEO and leadership teams to ensure SJVIA goals are at the forefront. KPS holds ongoing strategy meetings with EmpiRx to ensure projects and service-related concerns are being managed appropriately. The KPS team will take lead with all escalated member issues and ensure prompt resolution and hold EmpiRx accountable for delivering exceptional service.
59	How will you interact with the PBM’s senior leadership on escalated issues including high level member issues, negotiated performance standards and determination if monetary guarantees are due to SJVIA?
	As SJVIA’s PBM liaison and advocate, we meet bi-weekly and as needed with EmpiRx to review and resolve escalated member issues. As part of the annual audit, all findings are reviewed and discussed with EmpiRx Senior Leadership ensuring contractual obligations have been adhered to. KPS will ensure that any guaranteed payments due are accurate and paid to SJVIA in a timely manner.
60	Confirm assigned account representative will attend and present Rx plan financials, audit results and strategic opportunities at each onsite board meeting, annual benefit fairs, and attend weekly strategy meetings via telephone.
	Confirmed.