

5.2 FIRST AMENDED AND RESTATED MODULE 1: CLAIMS PROCESSING, CUSTOMER SERVICE, AND RETAIL NETWORK MINIMUM REQUIREMENTS

This procurement is open to qualifying companies that satisfy the Minimum Requirements described in this section.

If a Vendor is unclear about a requirement or specification or believes a change to a requirement would allow for the Plan to receive a better Proposal, the Vendor is urged and cautioned to submit these items in the form of a question during the question-and-answer period in accordance with Section 2.5 Proposal Questions.

When completing Attachment N-0 "All Modules Minimum Requirements Response" and Attachment N-1 "Module 1: Minimum Requirements Response," Vendors shall respond to all questions and confirmation/certification/description requests. Vendors are cautioned to provide sufficient detail for the Plan to validate their responses. Only those Vendors that meet 100% of the Minimum Requirements will be provided the necessary Data Files needed to submit technical and Cost Proposals for consideration and possible Contract award.

	FIRST AMENDED AND RESTATED MODULE 1: CLAIMS PROCESSING, CUSTOMER SERVICE, AND RETAIL NETWORK MINIMUM REQUIREMENTS
1	Vendor has provided claims processing and retail network management services comparable in scope to those described in this Module for at least one (1) public service or private client with more than fifty thousand (50,000) lives. Include in the confirmation the name of the client/group, a description of the services provided, and the contact information for the Plan to contact for a reference.
2	Vendor acknowledges that Module 1 is for stand-alone claims processing, Customer service and retail network services. If the Plan awards Module 2 and/or Module 3 of this RFP to a different vendor(s), Module 1 Vendor must agree to integrate with the selected vendor(s) to administer all the requirements outlined in Module 1.
3	Vendor must reimburse pharmacies for Plan claims, prior to seeking reimbursing from the Plan as outlined in Section 4.2 "Invoices." For reference, the Plan's average weekly claims expense is approximately \$35,000,000.00. Vendors must demonstrate financial capacity to make advance payments by referencing financial statements provided in response to Section 4.3 "Financial Stability" or providing evidence of alternative financing mechanisms. If the Vendor intends to rely on a line of credit, it must submit either (a) an executed credit agreement, or (b) a binding commitment letter from a financial institution confirming approval of the credit facility, subject only to contract award. Vendors may choose to fund claims through an alternative claims funding option as outlined in Section 5.3.13 "Claims Invoice – Module 1 Alternative Claims Funding Option." This model must meet all North Carolina State Banking laws and regulations and would require extensive technical and ongoing financial reporting staff. Vendor must provide advanced funding to reimburse pharmacies for Plan claims. If the Vendor intends to rely on a line of credit, Provider must provide either (a) an executed credit agreement, or (b) a binding commitment letter from a financial institution confirming approval of the credit facility, subject only to contract award.
4	Vendor must be able to accept and load Medicare information from the EDI file provided by the Plan's Eligibility and Enrollment Services vendor as outlined in Section 5.3.4.2 "Enrollment Group Set-Up & EDI Requirements."
5	Vendor must agree that all data related to any Services provided under this Contract ultimately belongs to the Plan and will be provided to the Plan no less regularly than monthly.
6	Vendor must be willing to collaborate with, provide data to, and respond promptly to other vendors supporting the Plan.

	FIRST AMENDED AND RESTATED MODULE 1: CLAIMS PROCESSING, CUSTOMER SERVICE, AND RETAIL NETWORK MINIMUM REQUIREMENTS (Continued)
7	Vendor must agree to prohibition on use of any Plan Member information to offer, solicit, sell, or provide any services or products to Plan Members without Plan approval.
8	Vendor shall not use, or otherwise disseminate, sell, copy, or make available to any person or entity, data relating to any aspect of performance of the Contract, for any purpose other than what is necessary in order to perform the Services. If Vendor licenses aggregate, de-identified claims data to various entities, Vendor shall not include or provide the Plan's data to these entities. Therefore, Vendor shall receive no such fees for the Plan's data services, and no such fees are included as Rebates passed to the Department. This requirement shall survive the termination of the Contract.
9.	Vendor shall be financially stable; and complete, sign and submit without exception, Attachment F: Certification of Financial Condition. In addition, Vendor must demonstrate financial stability. Vendor shall provide audited or reviewed financial statements prepared by an independent Certified Public Accountant (CPA) for the two (2) most recent fiscal years that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement), and cash flow statement and, if the most recent audited or reviewed financial statement was prepared more than six (6) months prior to the issuance of this RFP. Vendor shall also submit its most recent internal financial statements (balance sheet, income statement, and cash flow statement or budget), with entries reflecting revenues and expenditures from the date of the audited or reviewed financial statement to the end of the most recent financial reporting period (i.e., the quarter or month preceding the issuance date of this RFP). Vendor is encouraged to explain any negative financial information in its financial statement and is encouraged to provide documentation supporting those explanations. Consolidated financial statements of Vendor's parent or related corporation/business entity shall not be considered, unless: 1) Vendor's actual financial performance for the designated period is separately identified in and/or attached to the consolidated statements; 2) the parent or related corporation/business entity provides the State with a document wherein the parent or related corporation/business entity shall be financially responsible for Vendor's performance of the Contract and the consolidated statement demonstrates the parent or related corporation's/business entity's financial ability to perform the Contract, financial stability, and/or such other financial considerations identified in the evaluation criteria; and/or 3) Vendor provides its own internally prepared financial statements and such other evidence of its own financial stability identified above.
10	Vendor shall confirm it agrees to Attachment B: Instructions to Vendors without exception.
11	Vendor shall confirm it agrees to Attachment C: General Terms and Conditions without exception.
12	Vendor shall complete and submit Attachment D: Customer Reference Template.
13	Vendor shall complete and submit, without exception, Attachment E: Location of Workers Utilized by Vendor.
14	Vendor shall complete, sign and submit Attachment G: Proposal Submission Information form.
15	Vendor shall be HIPAA compliant; and shall complete, sign, and submit Attachment H: HIPAA Compliance Questionnaire and supply copies of the Vendor's HIPAA privacy and security policies. If the Vendor maintains that any information contained in the HIPAA privacy and security policies is proprietary or otherwise confidential, the Vendor may Redact these portions in BLACK and in accordance with the instructions in Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to the Vendors and supply the un-Redacted portions for review.
16	Vendor shall complete, sign, and submit Attachment I: Business Associate Agreement (BAA).

	FIRST AMENDED AND RESTATED MODULE 1: CLAIMS PROCESSING, CUSTOMER SERVICE, AND RETAIL NETWORK MINIMUM REQUIREMENTS (Continued)
17	Vendor shall complete, sign, and submit, Attachment K, Data Use Agreement (DUA).
18	Vendor must confirm it agrees to Attachment L: Minimum Information Security Requirements without exception and the following additional requirements Vendor shall confirm without exception the sufficiency of its security standards, tools, technologies, and procedures in providing service under the Contract. All Vendor and/or third-party Data Centers, Business Applications or Systems used under this Contract for the purpose of collecting, storing, processing, transmitting, or exchanging Plan Data shall have, and maintain, valid, favorable third-party security certifications or assessment reports on all related security controls that are consistent with, and can be cross-walked to, the data classification level and security controls appropriate for moderate information system(s) per the National Institute of Standards and Technology ("NIST") SP 800-53 Rev. 5 or the most recent revision. To satisfy this requirement, such reports must have been issued within twelve months prior to the anticipated Contract award date or be supplemented by bridge letters covering no more than three months subsequent to the report expiration date. Vendor shall provide a crosswalk document along with full un-Redacted copies of the third-party security certification or assessment reports, and any necessary bridge letters. Vendor shall also identify which specific Data Centers, Business Applications or Systems are covered by the third-party opinions or attestations will be used to provide the Services under this Contract. Opinion letters or security certification attestation letters will not be submitted in lieu of full report(s). Vendor agrees that the Plan has the right to independently evaluate, audit, and verify such requirements as part of its evaluation and during the life of the Contract, including requesting the performance of a penetration test with satisfactory results. The Plan will verify any such third-party security opinions or attestations annually during the life of the Contract, and the Vendor will be required to provide an updated report or bridge letter verifying that there have been no material changes in the controls reported since the issuance of the last report. Bridge letters will only be accepted for three months after the report expiration date to satisfy this requirement. Vendor agrees that the Plan has the right to, based upon its evaluation, require that the Vendor maintain cyber breach liability insurance coverage in an amount specified by the Plan and/or commit to obtaining a favorable third-party opinion or attestation within a time period specified by the Plan as a condition of Contract award. Vendor shall provide documentation of the amount of cyber breach liability insurance that it currently carries for all Vendor and/or third-party Data Centers and systems to be used to provide the Services under this Contract that will contain Plan Data. If Vendor is currently undergoing a third-party security assessment of such Data Centers or information technology systems that complies with NIST SP 800-53REV. 5 (or most recent revision), Vendor shall provide proof of purchase or a copy of its contract with the third party retained to perform the audit and the expected date for completion. The Plan understands that security assessment reports and security information provided to the Plan for the purpose of this Contract may contain confidential information and/or trade secrets. Refer to Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to Vendors for information regarding the treatment of Confidential Information.
19	Vendor must complete Attachment M: IT Services Inventory Worksheet.