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**New Mexico Medical Insurance Pool**

**Request for Proposal: #2024003  
For  
Pharmacy Benefit Manager**

**Background Information**

**Proposal Due: September 20, 2024**

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## New Mexico Medical Insurance Pool

### Request for Proposal Pharmacy Benefit Management

#### INTRODUCTION

The New Mexico Medical Insurance Pool ("Pool") is soliciting proposals for qualified offerors to provide Pharmacy Benefit Management. All potential offerors are encouraged to read this Request for Proposals (RFP) carefully, especially the scope of work and mandatory requirements.

#### Background

The Pool is a non-profit entity created by the New Mexico Legislature in 1987, Sections 59A-54-1 to 59A-54-21, NMSA 1978 (the "Act") for the purpose of offering health care coverage to New Mexico residents who are denied adequate health insurance or are considered uninsurable and to act as New Mexico's mechanism to obtain health insurance coverage for those eligible under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Pool is not a state agency or instrumentality of the State. The Pool's Act is attached as **Appendix A**.

Pursuant to the Act, all insurers authorized to issue or provide health insurance in New Mexico are members of the Pool. Members are assessed in a manner provided by the Act and in the Pool's Plan of Operation.

The Pool's individual major medical policies are Exclusive Provider Organization (EPO) plans that include several deductible choices, co-insurance requirements and maximum aggregate out-of-pocket limits. Additionally, the Pool administers a Medicare Carve-Out Plan for individuals under age 65 who are enrolled in Medicare. Prescription drugs under the Medicare Carve-Out Plan are administered as a State Pharmaceutical Assistance Program (SPAP). The Pool also offers a low-income premium program for persons with household incomes below 400% of the Federal Poverty Level (FPL). The Pool benefits booklets are attached as **Appendix B1 and Appendix B2**. Summaries of Benefits and Coverage (SBCs) for the five plan designs are attached as **Appendices B3 through B7**.

The Pool is managed by a Board of Directors ("Board"). The Board selects an administrator for the Pool through competitive bidding, supplemented by a negotiation process, if necessary. The administrator supports the Board, executive director, actuarial, and legal contractors as necessary. By law, the Pool must conduct a competitive RFP process at least every three years. See Section 59A-54-11(B), NMSA 1978. The Pool must be administered in conformance with applicable New Mexico and federal laws and regulations.

The Pool is managed through a contract with Delta Consulting, which provides an Executive Director and other staff to support the operations of the Pool. The Executive Director and her staff are responsible for program planning, managing the Pool's contracts, and coordinating with the Board and contractors to address day-to-day and strategic issues.

The Pool is funded from three major sources. The premium paid by the members provides approximately 10% of the total funding. Insurance carrier assessments produce the remaining 90%. The state contributes by giving insurance carriers a partial premium tax credit for their assessments. All licensed carriers in the state are assessed if they have direct written premium or administer Medicaid. Approximately 300 companies are assessed.

Subsequent to the 2014 implementation of expanded Medicaid and guaranteed issue of individual coverage in the marketplace, the Pool remained open for enrollees who were in the Pool prior to 2014, for Medicare-eligible applicants under age 65, and for those who are rejected by the marketplace (primarily undocumented immigrants or those seeking coverage outside of open enrollment). The Pool's enrollment is 3,562 as of July 2024, comprised of 3,370 non-Medicare members and 192 Medicare Carve-Out members.

The Pool has enrollees throughout the State of New Mexico, and therefore requires a statewide pharmacy network.

### **Current Provider Network Structure**

The NMMIP pharmacy benefit management services were previously provided by Value Health Benefit Administrators (VHBA) through a subcontract with Elixir. Due to unforeseen circumstances VHBA is no longer providing services, however, the contract with Elixir is continuing until the end of 2024. The current contractor is allowed to bid on the new contract effective January 1, 2025, along with other interested parties.

### **Purpose of This RFP**

The purpose of this RFP is to solicit proposals from offerors capable of providing pharmacy benefit management services for the contract term beginning January 1, 2025. In addition to providing a national network of pharmacy providers with competitive discounts, a successful bidder must also be able to perform the following unique components of the NMMIP pharmacy program:

- Administer the State Pharmaceutical Assistance Program (SPAP) for prescription drug claims of Medicare Carveout members, which provides a supplemental payment of amounts not covered by the members' Medicare Part D drug plans. Also comply with all CMS reporting requirements related to the SPAP.
- Comply with New Mexico Senate Bill 51 from the 2023 Regular Legislative Session (NMSA 1978 § 59A-22-53.3) that mandates, among other requirements, the application of the value of manufacturer rebates to a member's cost sharing at the point of sale. See **Appendix K** for complete statutory wording.
- Allow Medicaid to serve as a secondary payer for specialty pharmacy for certain NMMIP populations sponsored by the Department of Health.
- Comply with all applicable state and federal laws, including for example the reporting requirements required by House Bill 33 from the 2024 Regular Legislative Session (NMSA 1978 § 9A-59A-6) related to prescription drug price transparency. See **Appendix O** for complete statutory wording of that new law.
- Allow NMMIP's clinical team to perform overrides or exceptions as requested.

The Pool serves as a significant component of the State's health care safety net for New Mexicans. The Pool's board of directors is committed to the strategic priority of improving the health and lives of its enrollees in an efficient manner. The Pool has a responsibility to provide high-quality health programs and to be transparent about and held accountable for its performance. As such, the Pool seeks to partner with organizations whose own strategic initiatives and technological advances promote efficiencies that will align with the Pool's growing role in the health care of New Mexicans.

It is possible that the Pool may soon take on additional responsibilities as the state works on ways to meet the needs of those New Mexico residents not eligible for health insurance coverage through the commercial market. The successful bidder must agree to be flexible in response to Board decisions about new directions for the Pool. The successful bidder must agree to be flexible in response to this potential new program and others as they arise.

The contract term will be January 1, 2025 through December 31, 2027, with the potential for a one-time one-year extension. At the end of the contract term or earlier if the contract should be terminated, there will also be a claims run-out period of twelve months. The contract award is expected to be made no later than October 4, 2024. The selected offeror(s) will engage in implementation activities from the time of the contract award until it is effective on January 1, 2025.

## **GENERAL INFORMATION AND INSTRUCTIONS**

### **Questions**

All information regarding this RFP can be found using the link on the Pool's website [www.nmmip.org](http://www.nmmip.org). Anyone requesting this RFP must provide an email address where notices can be sent.

Requests for additional information or questions about this RFP process must be submitted through the website. Questions will be answered on the website within a few days of their receipt so potential bidders can see all questions and answers. All questions submitted on or before 4:00 PM MT, September 13, 2024 will be answered through the website. Questions received after that date will not be answered. Telephone or email questions will not be accepted.

### **Intent to Bid**

If you intend to submit a proposal in response to this RFP, please submit your intent to bid via email to Elizabeth Quirante at [equirante@nmmip.org](mailto:equirante@nmmip.org) and Elizabeth Leif at [eileif@leif.net](mailto:eileif@leif.net) no later than 4:00 PM MT, September 20, 2024. The purpose of the intent to bid notice is so that we can notify potential bidders of any substantive changes to the RFP. The intent to bid will not be binding.

### **Proposal Submission**

Submit one paper copy and one flash drive containing electronic versions of the Technical Questionnaire, Cost Questionnaire, and all Attachments to the following address:

Elizabeth Quirante, Procurement Officer  
New Mexico Medical Insurance Pool

500 Marquette Ave NW, Suite 280  
Albuquerque, NM 87102

An individual authorized to bind the entity submitting the proposal must sign the proposal. Please use the Signature Page attached (**Appendix C**). A Confidentiality Statement (**Appendix D**) must also be signed.

Bid documents are to be received no later than 4:00 PM MT, September 20, 2024. Any proposals or clarifications of proposals (except as may be requested by the Board) received after this time and date will not be considered.

Offerors are required to respond to all questions and requests for information in the applicable sections contained in this RFP. Failure to respond to any requirement of this RFP may be the basis for rejection of the non-responding offeror's proposal.

### **Schedule of Events**

The schedule of events for this process is shown in the table below. All times are Mountain Time Zone.

<b>Event</b>	<b>Date</b>
RFP Issued	August 30, 2024
Clarification Questions Submitted	September 2 through September 13, 2024
Intent to Bid (by email)	4:00 PM (Mountain) September 13, 2024
All Questions Answered	No Later Than September 13, 2024
Deadline for Proposals	4:00 PM (Mountain) September 20, 2024
Bid Opening	9:00 AM (Mountain) September 23, 2024
Finalist Interviews (if necessary)	Week of September 30, 2024
Notice of Intent to Award Contract	October 4, 2024
Deadline for Protest Filing	October 19, 2024
Contract Effective Date	January 1, 2025

The Pool reserves the right in its own discretion to change the above schedule without notice.

### **Rights**

Neither the State of New Mexico, the New Mexico Medical Insurance Pool, nor the Board of Directors is liable for any cost incurred by any offeror in responding to this RFP.

The Pool reserves the right to accept or reject any and all proposals. The Pool reserves the right to waive any or all informalities in technical or price proposals. The Pool may waive or modify provisions of the RFP at any stage of the negotiation process if the waivers or modifications do not substantially change the requirements of the RFP or an offer and do not provide a competitive advantage to any one offeror.

The Pool reserves the right to reject any or all bids, or parts thereof. The Pool also reserves the right to call for a best and final offer.

The Pool reserves the right to accept or reject any exception taken by an offeror to the terms and conditions of this RFP. The Pool may choose to negotiate a resolution of any exception.

All proposals, including the bid price for services, will be binding for a 120-day period following the deadline for receipt of the proposals unless the Pool chooses to call for the offeror's best and final offer. Offerors must confirm that bids will remain valid for 120 days after the deadline for submission. A call for best and final offers will only be requested of those offerors who are deemed to be acceptable or potentially acceptable by the Pool.

Prior to the time and date designated for receipt of original proposals, proposals submitted early may be modified or withdrawn only by notice to the Pool. Such notice shall be by email and in writing over the signature of the offeror or by signed fax. Such notice shall be worded so as not to reveal the amount of the original proposal.

Entities responding to this RFP should conspicuously designate trade secret information by including it in a separate electronic file, and should clearly mark all such pages "CONFIDENTIAL". The Pool will respect the trade secret status of that information and not disclose it either to the public or to other offerors. The Pool is subject to the State of New Mexico Procurement Code. Cost proposals shall not be designated as confidential and will be subject to public disclosure pursuant to the Procurement Code.

The Pool reserves the right to enter into negotiations with any, all or none of the offerors and award the transaction to any offeror in negotiations without prior notification to any other offerors.

### **Minimum Insurance Requirements**

Offerors must agree to procure, maintain and keep in force for the duration of the contract insurance conforming to the minimum limits indicated below:

- Commercial General Liability Coverage - \$500,000 for each occurrence limit and \$1,000,000 aggregate limit.
- Fidelity Bond - \$500,000 for each occurrence and \$1,000,000 aggregate limit. The bond must insure against criminal conduct and fraud by the offeror and any of its employees.
- Professional Liability Errors & Omissions Insurance Coverage - \$5,000,000 aggregate limit. The Professional Liability policy deductible shall not be more than \$250,000 per occurrence. The policy shall cover actual damages and reasonable expenses incidental to such liabilities.
- Cyber Liability - \$5,000,000 aggregate limit.

Offerors must agree to the following requirements with respect to the above insurance provisions:

- Successful offeror represents and warrants that the New Mexico Medical Insurance Pool shall be added as an additional insured on the offeror's Commercial General Liability, Fidelity Bond and Professional Liability policies and will provide amended proof of insurance within two weeks of the contract award date.
- Successful offeror represents and warrants that all policies and bonds will contain endorsements providing that the New Mexico Medical Insurance Pool shall be notified in writing of any policy or

bond cancellation or material change in the policy or bond no later than the second day after the material changes takes effect.

- All required coverages shall be with insurance companies or carriers licensed to do business in the State of New Mexico.

**EVALUATION CRITERIA**

The award will be made based on the best interests of the Pool, Pool enrollees, and the residents of the State of New Mexico. The Board of Directors will select and contract with an entity to administer the Pool chosen through a competitive bidding process based on responses to this RFP. Evaluation will be based on the following criteria and weights:

<b>Criteria</b>	<b>Questions</b>	<b>Weight</b>
General information, organizational information and experience	Q1 through Q26, Attachments A through F	10%
Pharmacy network size and fit	Q27, Q36, and Q 37, Attachments G and H	30%
Pharmacy network features	Q28 through Q35	15%
Pharmacy admin fees	Cost Q39A	5%
Pharmacy network savings	Cost Q39B, Q43, Attachment J	30%
Rebates	Cost Q40 through 42	10%
Grand Total		100%

Bidders that qualify for preferences pursuant to NMSA 1978 §13-1-22 will receive additional points as required by NMSA 1978 §13-1-21.

The Pool reserves the right to waive irregularities and technicalities in evaluating proposals.

**Protests**

The Procurement Officer for this solicitation is Elizabeth Quirante, [quirante@nmmip.org](mailto:quirante@nmmip.org). Protests to the procurement may be submitted to her at that email address. A protest will allow non-awarded offerors the opportunity to question the decision and ask for a formal review and determination by the Procurement Officer. The offeror must submit their protest in writing within fifteen calendar days of notice of intent to award the contract in the form of a letter to the Procurement Officer along with any documentation to support their claim. An Acknowledgment of Receipt letter will be sent to the offeror. An investigation will be conducted, and a determination will be made by the Procurement Officer within 30 days of receipt of the protest.

**SCOPE OF WORK**

Statewide access to a comprehensive pharmacy network is critical to the Pool’s objective of providing accessible and affordable health care coverage. The contractor will be required to:

- Provide access to a prescription drug network, including a retail pharmacy network and mail order pharmacy options.



- Coordinate with state pharmacy networks and document discounts for state funded programs such as HIV/AIDS, Hep-C, Children’s Medical Services, and Cystic Fibrosis.
- Administer the State Pharmaceutical Assistance Program (SPAP) for prescription drug claims of Medicare Carveout members, which provides a supplemental payment of amounts not covered by the members’ Medicare Part D drug plans. Also comply with all CMS reporting requirements related to the SPAP.
- Comply with New Mexico Senate Bill 51 from the 2023 Regular Legislative Session that mandates, among other requirements, the application of the value of manufacturer rebates to a member’s cost sharing at the point of sale. See **Appendix K** for complete statutory wording.
- Allow Medicaid to serve as a secondary payer for specialty pharmacy for certain NMMIP populations sponsored by the Department of Health.
- Comply with the reporting requirements required by House Bill 33 from the 2024 Regular Legislative Session related to prescription drug price transparency. See **Appendix O** for complete statutory wording.
- Allow NMMIP’s clinical team to perform overrides or exceptions as requested.
- Ensure that pharmacy network quality monitoring is performed
- Perform pharmacy network development in rural or other inadequately covered areas as determined by the Pool
- Notify the Pool at least 90 calendar days prior to any significant pharmacy network changes and identify affected enrollees
- Track pharmacy rebates attributable to the Pool and return them to the Pool and provide comprehensive rebate reporting
- Provide periodic reports to the Pool related to pharmacy utilization and cost trends
- Continue use of the current NMMIP formulary and work with NMMIP staff and Board as directed to explore potential formulary revisions to meet specific objectives

### **PERFORMANCE STANDARDS**

The Pool requires offerors to agree to performance standards where a portion of the administrative fees is at risk. A separate document (**Appendix E**) contains the minimum standards, which will be discussed further during contract negotiations. Payment of monetary penalties for a calendar year is to be made no later than April 30 of the following year. Interest will be charged on late penalty payments.

### **ADDITIONAL INFORMATION**

Information relevant to this RFP is available through the link at [www.nmmip.org](http://www.nmmip.org). The RFP documents include:

- Technical and Cost Questionnaire
- Appendix A – NMMIP Statute
- Appendices B1 and B2 – NMMIP Benefits Booklets

- Appendices B3 through B7 – NMMIP Summaries of Benefits and Coverage (SBCs)
- Appendix C – Signature Page
- Appendix D – Confidentiality Statement
- Appendix E – Performance Standards
- Appendix F – Pool Census
- Appendix G – Pool Stat Pack
- Appendix H – Pharmacy Pricing Worksheet
- Appendix I – Campaign Contribution Disclosure Form
- Appendix J – 2023 Pharmacy Claim File
- Appendix K – New Mexico 2023 Senate Bill 51
- Appendix L – Sample Contract
- Appendix M – Draft Implementation Timeline
- Appendix N – Abridged Formulary
- Appendix O – New Mexico 2024 House Bill 33