

ATTACHMENT 15

Amended 6/6/24



Department of
Civil Service

Glossary of Defined Terms RFP entitled: "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and NYS Insurance Fund Workers' Compensation Prescription Drug Programs"

Account Team means a proactive, experienced Contractor account leader(s) and team(s) in place who are dedicated solely to the Programs and who have the authority and expertise to coordinate the appropriate resources to implement and administer the Programs.

Advanced Flexible Formulary Preferred Drug List (or "Advanced Flexible Formulary") means a Preferred Drug List (PDL) in which Brand Drugs may be assigned to different Copayment levels based on value to the Program and clinical judgment. In some cases, drugs may be excluded from coverage if a Therapeutic Equivalent or Over-the-Counter Drug is available.

Affiliate means a person or organization which, through stock ownership or any other affiliation, directly, indirectly, or constructively controls another person or organization, is controlled by another person or organization, or is, along with another person or organization, under the control of a common parent.

Agreement or Contract means the separate Agreement(s) with the Procuring Agencies to provide Program Services entered into between the Parties resultant from this RFP.

Ancillary Charge means the amount in addition to the applicable Copayment an Enrollee/Dependent will pay when purchasing a Brand Drug if an A-rated or authorized generic equivalent is available in the market. The amount represents the difference to the Program between the Discounted Ingredient Cost of the dispensed Brand Drug and the Discounted Ingredient Cost of the available generic equivalent if it had been dispensed, not to exceed the actual cost of the drug. The Ancillary Charge does not apply if a Dispense as Written Exception Request is approved by the Plan; however, the enrollee must pay the applicable non-preferred copayment.

AWP means the Medi-Span per unit price for the eleven (11)-digit NDC of the drug dispensed as of the date the Prescription was filled unless the Parties mutually agree in writing to utilize a different source for AWP information.

Brand Drug(s) means a Prescription drug sold under a trade name other than its chemical name that is manufactured and marketed by a single manufacturer (or single group of manufacturers pursuant to agreement among the manufacturers) where the manufacturer holds or held a patent protecting the active ingredient from generic competition. For The Empire Plan, SEHP, and the NYSIF's Pharmacy Benefits Management Program, the Contractor shall utilize the Procuring Agencies approved process to replicate the results of the methodology used by the Program as of January

1, 2025, for determining the appropriate classification of drugs consistent with this definition.

Brand For Generic means an additional feature of the Flexible and Advanced Flexible Formularies that allows a Brand-Name drug to be placed on the lowest Copayment level and the new generic equivalent to be placed on the highest Copayment level, or excluded, when advantageous to the DCS Program.

Breach means acquiring of information by a person without valid authorization or through unauthorized acquisition.

Business Associate means the term as defined in the HIPAA implementing regulations at 45 CFR 160.103; the Offeror will be a Business Associate of the Department as a consequence of the Offeror's provision of Project Services on behalf of the Department within the context of the Offeror's performance under the resulting Contract and that the Offeror's provision of Project Services will involve the disclosure to the Offeror of individually identifiable health information from the Department or other service providers on behalf of the Department, as well as the Offeror's disclosure to the Department of individually identifiable health information as a consequence of the Project Services performed under the resulting Contract.

Business Day(s) means every Monday through Friday, except for Days designated as Business Holidays by the Contractor and approved as such by the Department prior to January 1st of each Calendar Year.

Business Holiday(s) means Days designated by the Contractor as Business Holidays and approved as such by the Department prior to January 1st of each Calendar Year.

Business Hours means 8:00am – 5:00pm ET on a Business Day(s).

Calendar Year/Annual means a period of 12 months beginning with January 1st and ending with December 31st.

Call Center Hours means 24 hours a Day, 365 Days a year.

Chain Pharmacy means any National Chain (National Chain is defined as any Pharmacy operating in eighteen or more States within CONUS), or Local and/or Regional Chain (Local or Regional Chain is defined as any Pharmacy operating in ten or more locations in New York State).

Child(ren) means children under 26 years of age, including natural children, legally adopted children, children in a waiting period prior to finalization of adoption, Enrollee stepchildren and children of the Enrollee's domestic partner. Other children who reside permanently with the Enrollee in the Enrollee's household and are chiefly dependent on the Enrollee are also eligible, subject to a Statement of Dependence and documentation.

Claimant means an injured employee who sustains an at-injury accident (loss) while in the employ of individuals or companies that have workers' compensation insurance policies with NYSIF.

Claims Administration Fee means the fee that the Contractor charges the Programs for all administration services provided by the Contractor. For the DCS Program, this includes the administration of the Empire Plan and SEHP. There are two (2) Claims Administration Fees that apply to the DCS Agreement: DCS Program Primary Claims Administration Fee and Medicare Primary Claims Administration Fee. The NYSIF Claims Administration Fee includes the administration of the Fund's Prescription Drug Program, as may be modified from time to time.

Commercial Coverage means benefits and drug coverage available to the Empire Plan's active employees and/or non-Medicare-primary enrollees and dependents.

Commissioner means the Commissioner of the New York State Department of Civil Service.

Compound Drug(s) means a drug with two or more ingredients (solid, semi-solid or liquid), at least one of which is a Covered Drug with a valid NDC requiring a Prescription for dispensing, combined together in a method specified in a Prescription issued by a medical professional. The end result of this combination must be a Prescription medication for a specific patient that is not otherwise commercially available in that form or dose/strength from a single manufacturer. The Prescription must identify the multiple ingredients in the Compound, including active ingredient(s), diluents(s), ratios or amounts of product, therapeutic use, and directions for use. The act of compounding must be performed or supervised by a licensed Pharmacist. Any commercially available product with a unique assigned NDC requiring reconstitution or mixing according to the FDA- approved package insert prior to dispensing will not be considered a Compound Prescription by the Program.

Confidential Information (DCS) means any information, including demographic information, collected from an Employee that relates to the past, present or future physical or mental health or condition of an Employee or to the provision of medical or related health care to an Employee or that identifies the Employee or can be used to identify the Employee. is defined in Appendix B, Standard Clauses for All Department of Civil Service Contracts and includes Protected Health Information (PHI).

Confidential Information (NYSIF) is defined in (1) Appendix B-2, Contract Provisions, to include but is not limited to: (i) the meaning ascribed to "Nonpublic Personal Information" in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA"), as it relates to NYSIF's consumers, (ii) "Protected Health Information ('PHI')" as such term is defined in the Health Insurance Portability and Accountability Act of 1996, or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("HIPAA") and (iii) any personally identifiable information protected under any other applicable state or federal statute, rule or regulation; or (2) Appendix B-4, NYSIF Mutual Non-Disclosure Agreement, to include all non-public information (whether in verbal, written, visual, graphic or machine-readable form) of the Disclosing Party which the Receiving Party has had access to (including prior to effective date), will have access to, or will create or prepare, that includes, incorporates, makes reference to or utilizes in

any way, without limitation, the Data and all other proprietary information related to the Disclosing Party's business. Confidential Information shall include all information of a third party to which each Party has access or will have access. Confidential Information shall also include any information and data protected by applicable privacy laws and regulations, including but not limited to Federal, State, and local laws as well as those of territories and dependencies.

Continental United States (CONUS) means the 49 states and the District of Columbia, with the exception of Hawaii.

Contract or Agreement means the separate Agreement entered into with the respective Procuring Agency to provide Program Services, resultant from the RFP.

Contractor or Selected Offeror means the successful Offeror selected as a result of the evaluation of Offerors' Proposals submitted in response to this RFP and who executes separate Contracts with the Procuring Agencies to provide Program Services.

Controlled Drug means drugs designated by Federal Law or New York State law as a Class I, II, III, IV, or V substance. A Controlled Drug includes, but is not limited to, some tranquilizers, stimulants, and pain medications.

Cost Share or Copayment (DCS only) means the amount the Enrollee/Dependent is required to pay for Covered Generic, Preferred and Non-Preferred Brand Drugs as specified by the benefit design of the Program. The actual payment amount required from the Enrollee/ Dependent for a Prescription may not exceed the Ingredient Cost of the drug to the Plan after application of the Program's Lesser of Logic provision plus the applicable dispensing fee plus the prescribing fee, if applicable.

Covered Drug(s) *DCS Program:* means medically necessary Prescription drugs as defined in the *Certificate of Insurance*, subject to all limitations and exclusions set forth therein. *NYSIF Program:* means medically necessary and appropriate drugs that are causally related to the loss.

Data means any information, analytic derivatives, formula, algorithms, or other content that the Department or State may provide to the Contractor pursuant to this Contract. Data includes, but is not limited to, any of the foregoing that the Department and/or Contractor (i) uploads to a Cloud Service, and/or (ii) creates and/or modifies using a Cloud Service.

Day(s) means calendar Days unless otherwise noted.

DCS Program(s)/Plan means the New York State Health Insurance Program's Empire Plan Prescription Drug Program, Empire Plan Medicare Employer Group Waiver Prescription Drug Plan, and the Student Employee Health Program (SEHP) Prescription Drug Program.

Dedicated Call Center means a group of Customer Service Representatives trained and capable of responding to a wide range of questions, complaints, and inquiries specific to the Programs. The Customer Service Representatives are dedicated to the Programs and do not work on any other accounts.

Department or DCS means the New York State Department of Civil Service.

Dependent means the spouses, domestic partners, and children under twenty-six (26) years of age of an Enrollee. Dependent Children age twenty-six (26) or over are also eligible if they are incapable of supporting themselves due to mental or physical disability acquired before termination of their eligibility for coverage under the New York State Health Insurance Program.

Dependent Survivor means: a spouse who has not remarried; a Dependent Child(ren) who meets the eligibility requirements; or a domestic partner who has not married or acquired a new domestic partner; of an Enrollee who: died after having had at least ten (10) cumulative years of NYSHIP benefits-eligible service or after having retired with fewer than 10 years of service and receiving an accidental disability retirement benefit or a performance of duty disability pension; was covered as a Dependent of the Enrollee at the time of the Enrollee's death; and elects to continue coverage under NYSHIP following the three (3)-month extended benefit period.

Designated Contact(s) means the Department's authorized person(s) which all communications during the Restricted Period related to this RFP, according to SFL 139-j and 139-k must be directed to.

Designated Specialty Pharmacy means all facilities owned, operated, subcontracted, or otherwise affiliated with the Contractor or any Key Subcontractor of the Contractor to provide certain Specialty Drugs. All facilities must meet all legal and contractual requirements as set forth in the Agreements.

Designated Specialty Pharmacy Hard Edit means a Network Pharmacy claims adjudication edit that will result in denial of the claim for a Specialty Drug under the Specialty Pharmacy Process after the Grace Period for Specialty Drugs has elapsed.

Designated Specialty Pharmacy Passive Edit means a Network Pharmacy claims adjudication edit that will prompt processing of the claim at the Designated Specialty Pharmacy but will permit continued processing and coverage for a Specialty Drug at the Network Pharmacy under the Specialty Pharmacy Process after the Grace Period for Specialty Drugs has elapsed.

DFS means the New York State Department of Financial Services.

Disabled Lives Benefit means the benefits provided to an Enrollee/Dependent who is Totally Disabled on the date coverage ends. The benefits are provided on the same basis as if coverage had continued with no change until the day the Enrollee/Dependent is no longer Totally Disabled or for ninety (90) days after the date the coverage ended, whichever is earlier.

Discounted Ingredient Cost(s) means the cost to the Plan for a specific drug or drugs dispensed to an Enrollee/Claimant after the Contractor has applied the appropriate discount exclusive of any associated dispensing fee(s), prescribing fee(s) (if applicable), sales tax or Copayments.

Drug List means a list of FDA-approved brand-name and generic prescription drugs developed by the Contractor for the Program. Unless otherwise specified, this definition

applies to The Empire Plan Drug Lists including the: (1) Flexible Formulary Drug List; (2) Advanced Flexible Formulary Drug List;; (3) Medicare Part D Drug List, with supplemental wrap coverage to meet or exceed The Empire Plan prescription drug benefit structure; and (4) NYSIF PDL.

Empire Plan Medicare Rx means the Employer Group Waiver Program (EGWP) for Medicare-primary Empire Plan enrollees and Dependents that is a Medicare Part D Prescription Drug Plan (PDP) with supplemental wrap coverage and that provides benefits and drug coverage equivalent to, or in excess of, the benefits available to the Empire Plan's non-Medicare-primary enrollees and Dependents.

Employee means "Employee" as defined in 4 NYCRR Part 73, as amended, or as modified by collective bargaining agreement.

Employer means "Employer" as defined in 4 NYCRR Part 73, as amended.

Employer Group Waiver Plan (EGWP) means the Employer Group Waiver Program (EGWP) for Medicare-primary Empire Plan enrollees and Dependents that is a Medicare Part D Prescription Drug Plan (PDP) with supplemental wrap coverage that provides benefits and drug coverage equivalent to, or in excess of, the benefits available to the Empire Plan's non-Medicare-primary enrollees and Dependents.

Enrollee/Claimant means an "Employee" or "Dependent" or "Member" enrolled in the Program with prescription drug benefits, or an injured employee who sustains an at-injury accident (loss) while in the employ of individuals or companies that have workers' compensation insurance policies with NYSIF.

Enrollee Submitted Claim(s) or Subscriber Claims means a claim for benefits submitted by an Enrollee to the Contractor for direct reimbursement.

Equal Employment Opportunity (EEO) means the federal law designed to protect most U.S. employees from employment discrimination based upon that employee's (or applicant's) race, color, religion, sex, or national origin.

ET means prevailing Eastern Time.

Excelsior Plan means a lower cost version of the Empire Plan only offered to Participating Agencies, through calendar year 2024. Effective January 1, 2025, the Department will discontinue the Excelsior Plan, and the Selected Offeror will not be responsible for administering this Plan.

FDA means the U.S. Food and Drug Administration.

Final Paid Claim means a claim processed and paid by the Contractor for a Prescription drug or covered medication, OTC product or non-drug device, provided to an Enrollee/Claimant, including but not limited to, claims for Prescriptions filled at a Retail Pharmacy or through the Mail Service Pharmacy Process or the Specialty Pharmacy Process. A claim that is denied prior to processing is not considered a Final Paid Claim. In addition, a claim that is processed and paid but is subsequently voided, reversed, or otherwise adjusted is not a Final Paid Claim. Zero balance claims are

considered Final Paid Claims. Rebate- and non-rebate eligible claims are considered Final Paid Claims.

Flexible Formulary Preferred Drug List means a Preferred Drug List (PDL) in which Brand Drugs may be assigned to different Copayment levels based on value to the Program and clinical judgment. In some cases, drugs may be excluded from coverage if a Therapeutic Equivalent or Over-the-Counter Drug is available.

Frozen Formulary Law (Chapter 780 of the Laws of 2021, as amended by Chapter 99 of the Laws of 2022) limits an insurer from changing a formulary or imposing utilization management once a formulary is set at the start of the plan year. It also requires ninety-day notification of formulary changes. The law does not supersede the terms of collective bargaining agreements, or the rights of unions to collectively bargain formulary changes.

Generic Drug(s) means a prescription drug sold under its chemical name or drug sold under a name other than its chemical name by a manufacturer other than the manufacturer that held the original patent for the active ingredient in the drug. The term Generic Drug shall include “authorized generics” marketed by or in conjunction with the manufacturer that is the holder of the original patent for the active ingredient of the drug. Any drug approved through an FDA Generic Drug approval process, including any FDA approval process established for approving generic equivalents of biologic drugs shall be classified as a Generic Drug. For The Empire Plan, SEHP, and NYSIF’s Pharmacy Benefits Management Program, the Contractor shall utilize a Procuring Agencies’ approved process to replicate the results of the methodology used by the Program as of January 1, 2025, for determining the appropriate classification of drugs.

GPI means Generic Product Identifier as defined by Medi-Span Master Drug Database by Wolters Kluwer Health.

Grace Fill for Specialty Drugs means an Enrollee’s initial or very first dispensing of a Specialty Drug covered under the Empire Plan Specialty Pharmacy Program.

Guaranteed Discount(s) off of AWP means the Contractor’s fixed, contracted, guaranteed Ingredient Cost discounts for Brand Drugs expressed as a percent off of AWP dispensed through the Mail Service Pharmacy Process.

Guaranteed Dispensing Fee(s) (“dispensing fee”) represents the quoted dispensing fee(s) the Contractor guarantees is applicable to Generic, Brand and Compound Drugs dispensed through the Mail Service Pharmacy Process and separately are proposed under *Specialty Pharmacy Program Dispensing Fees* (Attachment 89), for Specialty Drugs dispensed through the Specialty Pharmacy Program.

Guaranteed Maximum Dispensing Fee(s) (“maximum dispensing fee”) represents the quoted dispensing fee(s) the Contractor guarantees that the actual average dispensing fee assessed under Pass-through Pricing will not exceed. This Guaranteed Maximum Dispensing Fee(s) is applicable to the Program for Generic, Brand and Compound Drugs, calculated separately, for prescriptions dispensed by Retail Network Pharmacies.

Guaranteed Maximum Prescribing Fee(s) (“prescribing fee(s)”) represents the quoted prescribing fee(s) the Contractor guarantees that the actual average prescribing fee assessed will not exceed. This fee is inclusive of fees for prescribing statutorily-authorized medication as well as fees for ordering statutorily-authorized tests. This Guaranteed Maximum Prescribing Fee(s) is applicable to the Program for Generic and Brand Drugs, calculated separately for certain medications (e.g., oral self-administered contraceptives) only where there is statutory authority for pharmacists, licensed pharmacy technicians, or those named in the law, to prescribe select medications and dispense them in the Retail Pharmacy Network. As of the date of the drafting of this RFP, Chapter 128 of the Laws of 2023 provides this authority. In addition, the known NYS bills in the 2024 legislative session, which if signed into law, would provide for such statutory authorization, include (but are not limited to): S5263; S5304; S3297/A5995; A2732/S1855; A825.

Guaranteed Minimum Discount(s) off of Aggregate AWP means the guaranteed Ingredient Cost discount(s) as expressed as a percent off of Aggregate AWP and is applicable to Generic and Brand Drugs, separately, dispensed through the Retail Pharmacy Network, Specialty Drugs dispensed through the Specialty Pharmacy Process as well as Generic Drugs dispensed through the Mail Service Pharmacy Process. Specialty Drugs shall be charged at the lowest of: (a) the Guaranteed Minimum Discount off of Aggregate AWP for Specialty Drugs proposed by the Offeror in as provided in *Proposed Claim Reimbursement Quote* (Attachment 83) plus Guaranteed Dispensing Fee as provided in Attachment 89; (b) MAC plus Guaranteed Dispensing Fee as provided in Attachment 89; or (c) WAC plus Guaranteed Dispensing Fee as provided in *Specialty Pharmacy Program Dispensing Fees* (Attachment 89). The Offeror’s Guaranteed Minimum Discount off of Aggregate AWP for all Specialty Drugs dispensed via specialty pharmacies or Mail Service Pharmacies shall be greater than the Offeror’s Guaranteed Minimum Discount off of Aggregate AWP and Guaranteed Maximum Dispensing Fee

Hard Edit means a Network Pharmacy claims adjudication edit that will result in denial of the claim.

HIPAA means Health Insurance Portability and Accountability Act of 1996, as amended.

Implementation Date means the first day of the month following a minimum implementation period of 90 Days subsequent to the Attorney General’s Office and Office of State Comptroller’s approval of the Agreement that results from this RFP, but no sooner than January 1, 2025.

Implementation Plan means a plan to include the evaluation and assessment activities as well as the development of a project plan to achieve Contract requirements and deliver the Project Services.

Implementation Period means minimum of 90 Days prior to inception Project Services Start Date.

Ingredient Cost(s) means the cost to the Programs for a specific drug, or drugs dispensed to an Enrollee/Claimant exclusive of any associated dispensing fee(s),

prescribing fee(s) (if applicable), other costs, or Copayments through application of the Programs' Lesser of Logic.

Instant Enrollment/Short Fill Service means allowing Claimants covered by NYSIF immediate acceptance by any pharmacy in the Contractor's network in order to provide a limited number of cost-effective medications.

Key Subcontractor(s) means those vendors with whom the Contractor subcontracts to provide Program Services and incorporates as a part of the Contractor's Program Team. Key Subcontractors include all vendors who will provide \$100,000 or more in Program Services over the term of the Agreement that results from this RFP, as well as any vendor who will provide Program Services in an amount lower than the \$100,000 threshold, and who is a part of the Contractor's Account Team.

Lesser of Logic means the methodology for charging the Program for Prescriptions as described below.

Retail Generic Prescriptions assigned a MAC price shall be charged to the Programs at:

- the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee plus prescribing fee(s) (if applicable);
- the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is Usual and Customary);
- the Guaranteed Minimum Discount off of Aggregate AWP contracted with the Network Pharmacy plus dispensing fee plus prescribing fee(s) (if applicable);
- the Maximum Allowable Cost (MAC) plus dispensing fee plus prescribing fee(s) (if applicable); or,
- the WCB Fee Schedule (NYSIF Program only).

Retail Brand Prescriptions, and Generic Prescriptions that are not assigned a MAC price, shall be charged to the Plan at:

- the lowest of the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is usual and customary);
- the Guaranteed Minimum Discount off of Aggregate AWP contracted with the Network Pharmacy plus dispensing fee plus prescribing fee(s) (if applicable);
- the Pharmacy-submitted Ingredient Cost plus dispensing fee plus prescribing fee(s) (if applicable), or,
- the WCB Fee Schedule (NYSIF Program only).

Specialty Pharmacy Brand and Generic Prescriptions shall be charged to the Plan at:

- the lowest of the Guaranteed Minimum Discount off of Aggregate AWP plus Guaranteed Dispensing Fee; or
- MAC plus Guaranteed Dispensing Fee; or
- WAC plus Guaranteed Dispensing Fee; or,
- the WCB Fee Schedule (NYSIF Program only).

Mail Service Pharmacy Generic Prescriptions shall be charged to the Plan at:

- the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee plus prescribing fee(s) (if applicable);

- the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is Usual and Customary);
- the Guaranteed Minimum Discount off of the Aggregate AWP for prescriptions not assigned a MAC plus dispensing;
- the Maximum Allowable Cost (MAC) for Chain/Mail Pharmacy plus dispensing fee plus prescribing fee(s) (if applicable); or
- the WCB Fee Schedule (NYSIF Program only).

Mail Service Pharmacy Brand Prescriptions shall be charged to the Plan at:

- the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee plus prescribing fee(s) (if applicable);
- the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is usual and customary);
- the Guaranteed Discount off of AWP plus dispensing fee plus prescribing fee(s) (if applicable); or,
- the WCB Fee Schedule (NYSIF Program only).

Once the Lesser of Logic has been applied, the pricing methodology resulting in the lowest claim cost to the Plan is determined, and to that amount any applicable sales tax is added and the applicable Copayment and any ancillary fee resulting from application of the Program's Mandatory Generic Substitution provisions are deducted.

Limited Distribution Drug means a Specialty Drug whose distribution is limited by the manufacturer to select Pharmacies and as a result of this restriction is not available to be dispensed from the Designated Specialty Pharmacy(ies) and/or Mail Service Pharmacy.

Mail Service Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the mail or other home delivery service, excluding any drug eligible under the Specialty Pharmacy Process. For those Employee groups not participating in the Specialty Pharmacy Process, the Mail Service Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the mail or other home delivery service including any drug that could be classified as a Specialty Drug, or that require special preparation or handling, using one or more Mail Service Pharmacy Process Facilities or other entities approved as distribution channels for dispensing Limited Distribution Drugs to Enrollees/Claimants through the Mail Service Pharmacy Process. Prescriptions are considered to be submitted through the Mail Service Pharmacy Process if they are submitted by phone, fax, internet, e-prescribing or mail to any Mail Service Pharmacy Process Facility. All Prescriptions filled through the Mail Service Pharmacy Process shall be processed in strict accordance with the provisions of the Agreement including all pricing provisions related to the Mail Service Pharmacy Process. Prescriptions dispensed through the Retail Pharmacy Network and delivered to the Enrollee/Claimant through the mail shall not be considered to have been filled through the Mail Service Pharmacy Process provided the Enrollee/Claimant or his/her Physician presented the Prescription directly to the dispensing Network Pharmacy. The Contractor or its Key Subcontractor will not refer an Enrollee/Claimant or his/her Physician to a retail Pharmacy without also making the Enrollee/Claimant aware of the Mail Service Pharmacy Process.

Mail Service Pharmacy Process Facility(ies) means all facilities owned, operated, subcontracted, or otherwise affiliated with the Contractor or any Key Subcontractor of the Contractor capable of being utilized by the Contractor in the Mail Service Pharmacy Process, including any mail service intake facility. For those employee groups participating in the Specialty Pharmacy Process, the Designated Specialty Pharmacy(ies) is not considered a Mail Service Pharmacy Process Facility. All facilities must meet all legal and contractual requirements.

Maximum Allowable Cost means the maximum price the Programs shall be charged and the dispensing retail Network Pharmacy shall be paid on a pass-through basis for the Ingredient Cost of a drug required to be included on the Program's MAC List managed by the Contractor.

May denotes the permissive in a contract clause or specification. Refers to items or information that the State has deemed are worthy of obtaining, but not required or obligatory. Also see "Should".

Mandatory denotes the imperative in a contract clause or specification. Means required - being determinative/mandatory, as well as imperative. Also see "Must" and "Shall".

Medical Exception Program means the DCS Program in which a physician can request a medical necessity review for non-formulary prescription drugs that are excluded from coverage when other covered therapeutic alternatives are ineffective or clinically inappropriate as documented by the prescribing Medical Professional.

Medically Necessary Drug means any drug that, as determined by the Contractor, is: (i) provided for the diagnosis or treatment of a medical condition; (ii) appropriate for the symptoms, diagnosis, or treatment of a medical condition; (iii) within the standards of generally accepted health care practice; and (iv) not used for cosmetic purposes.

Medical Professional(s) means a Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.) licensed without limitation or restriction to practice medicine. For benefits provided in the Program, and for no other purpose, Physician also means a Doctor of Dental Surgery (D.D.S.), a Doctor of Dental Medicine (D.D.M.), a Podiatrist and any other health care professional licensed to prescribe medication, when he/she/they is acting within the scope of his or her license.

Medicare Beneficiary Identifier means Medicare's 11-character identifier assigned to Medicare enrollees for claim and identification purposes.

Must denotes the imperative in a contract clause or specification. Means required - being determinative/mandatory, as well as imperative. Also see "Shall" and "Mandatory".

Narrow Therapeutic Index (NTI) Drugs means a drug that small variances in blood levels can cause changes in the effectiveness or toxicity of that drug.

NCPDP means the *National Council for Prescription Drug Programs*, an American National Standards Institute (ANSI)-accredited, standards development organization

providing healthcare solutions that improve patient safety and health outcomes, while also decreasing costs.

NDC means the National Drug Code number assigned to a pharmaceutical product obtained by the manufacturer of the product through a U.S. Food and Drug Administration administered process.

Network Pharmacy means a Pharmacy, other than those Pharmacies meeting the definition of Mail Service Pharmacy Process Facilities or a Designated Specialty Pharmacy, which has entered into an agreement with the Contractor, or any Affiliate or Key Subcontractor of the Contractor, to provide Covered Drugs to Enrollees/Claimants, including limited distribution or Specialty Drugs. The Contractor's records shall be conclusive as to whether a Pharmacy has a Network Pharmacy agreement in effect on the date a drug is dispensed.

New York Benefits Eligibility and Accounting System (NYBEAS) means the web-based enrollment system for the administration of employee benefits and the source of eligibility information for all Empire Plan, Excelsior Plan, and SEHP Members.

Non-Network Pharmacy means any Pharmacy, other than a Network Pharmacy, a Mail Service Pharmacy Process Facility or a Designated Specialty Pharmacy, which has not entered into an agreement with the Contractor, or any Affiliate or Key Subcontractor of the Contractor, to provide Covered Drugs to Enrollees/Claimants. The DCS Programs have no obligation to pay the Pharmacy; the Enrollee must file a claim form with the Contractor in order to receive reimbursement for Covered Drugs dispensed by a Non-Network Pharmacy.

Non-Preferred Drug means an FDA-approved prescription drug that is covered by the Program in accordance with the Program *Certificate of Insurance* but is not included on the Contractor's and/or its Key Subcontractor's Preferred Drug List and will result in a higher drug Copayment for Enrollees/Dependents.

NYS or State means the State of New York.

NYSHIP means the New York State Health Insurance Program.

NYSIF or FUND means the New York State Insurance Fund.

Offeror means any responsible and eligible entity submitting a responsive Proposal to this RFP. It shall be understood that references in the RFP to "Offeror" shall include said entity's proposed Key Subcontractor or Affiliates, if any.

Option Transfer Period means the period announced by the State to allow eligible Enrollees to join the plan, change coverage, or add eligible dependents.

OSC means the New York State Office of the State Comptroller.

Over-the-Counter Drug (OTC) means a drug approved by the FDA that has been determined to be safe and effective for use by the general public without a doctor's Prescription.

Participating Agency (PA) means any unit of local government such as school districts, special districts and district or municipal corporations which elects, with the approval of the President of the Civil Service Commission, to participate in the New York State Health Insurance Program.

Participating Employer (PE) means a public authority, public benefit corporation, or other public agency, subdivision, or quasi-public organization of the State which elects, with the approval of the President of the Civil Service Commission, to participate in the New York State Health Insurance Program.

Pass-through Pricing means the Program is charged the same Ingredient Cost and/or dispensing fee and/or prescribing fee(s) (if applicable) paid to the dispensing Network Pharmacy or Mail Service Pharmacy (if the Offeror does not own the Mail Service Pharmacy) for the Generic Drug, Brand Drug, Compound Drug, or vaccine dispensed.

Pharmacist means a person who is legally licensed to practice the profession of Pharmacy. He/she/they must regularly practice such profession within the scope of their license.

Pharmacy or Pharmacies means any establishment, which is registered as a Pharmacy with the appropriate State licensing agency or is a Veterans Affairs Hospital Pharmacy, and regularly dispenses medications that require a Prescription from a Physician.

Pharmacy Benefit Services or Program Services means all of the services to be provided by the Contractor as set forth in this RFP.

Pharmacy Submitted Ingredient Cost or Pharmacy Submitted Pricing or Submitted Cost means the value entered by the Pharmacy in field 409, 'Ingredient Cost Submitted' of Telecommunication Standard Version 5.1 issued by the National Council for Prescription Drug Programs, Inc. For purposes of adjudication of Compound claims the value shall be no more than the total AWP of all ingredients in the Compound.

Pharma Revenue means any and all revenues generated from agreements between the pharmaceutical manufacturers and the Contractor and/or its Key Subcontractor or any Affiliate of the Contractor or its Key Subcontractor which relate to Program utilization and/or Pharmacy Benefit Management Services provided under the Agreements. Such revenues include, but are not limited to revenues described as: formulary rebates; market share rebates; administrative fees; AWP caps; inflation protection program; or by any other name including all other revenues collected by Contractor and/or its Key Subcontractor or Affiliate from pharmaceutical manufacturers and attributable to Program utilization. Contractor and/or its Key Subcontractor or Affiliate may not count Federal monies toward the Minimum Pharma Revenue Guarantee. **Federal monies for purposes of this definition include the Manufacturer Discount Program, the CMS Direct Monthly Subsidy, the Catastrophic Reinsurance Subsidy, the Low-Income Cost Share Subsidy, and the IRA Subsidy.**

Physician means a Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.). He/she/they must be legally licensed without limitations or restrictions, to practice

medicine. For benefits provided in the Program, and for no other purpose, Physician also means a Doctor of Dental Surgery (D.D.S.), a Doctor of Dental Medicine (D.D.M.), a Podiatrist and any other health care professional licensed to prescribe medication, when he/ she/they is acting within the scope of his or her license.

Plan(s)/Program(s) means The Empire Plan Prescription Drug Program, and Student Employee Health Plan (SEHP) Prescription Drug Program administered by the New York State Department of Civil Service, AND the Workers' Compensation Pharmacy Benefits Management Program administered by the New York State Insurance Fund.

Plan Sponsor means the Council on Employee Health Insurance, which is composed of the President of the Civil Service Commission, Director of the Office of Employee Relations, and the Director of the Division of Budget.

Plan Year means the period from January 1st to December 31st in each Plan Year, unless specified otherwise by the DCS.

Preferred Brand Drug means an FDA-approved brand-name prescription drug that is included on the Preferred Drug List developed by the Contractor for the Program.

Prescription/Prescription Order means the written or oral request for drugs issued by a Physician duly licensed to make such a request in the ordinary course of his or her professional practice. This order must be written in the name of the person for whom it is prescribed or be an authorized refill of that order.

President means the President of the Civil Service Commission and the Commissioner of the Department.

Procuring Agencies collectively means the DCS acting in its statutory authority as the administrator of NYSHIP's Empire Plan, and Student Employee Health Plan Prescription Drug Program, and the NYSIF acting in its statutory authority as the administrator of the NYS Workers' Compensation Pharmacy Benefits Management Program.

Program MAC List means the Procuring Agencies specific Maximum Allowable Cost (MAC) List managed by the Contractor to set the maximum price the Programs shall be charged, and the dispensing retail Network Pharmacy shall be paid on a pass-through basis for the Ingredient Cost of a drug required to be included on the Program MAC List.

Program Services or Pharmacy Benefit Services means all of the services to be provided by the Contractor as set forth in this RFP.

Program Team means the Contractor and those Key Subcontractors, if any, utilized by the Contractor who collectively undertake and perform the Program Services which are the subject of the Agreement.

Program(s)/ Plan(s) means The Empire Plan Prescription Drug Program, and Student Employee Health Plan (SEHP) Prescription Drug Program administered by the New York State Department of Civil Service, AND the Workers' Compensation Pharmacy Benefits Management Program administered by the New York State Insurance Fund.

Proposal or Submissions means the Contractor's Administrative Proposal, Technical Proposal, and Financial Proposal, including all responses to supplemental requests for clarification, information, or documentation, submitted during the course of the Procurement.

Protected Health Information (PHI) means any information, including demographic information collected from an individual, that relates to the past, present, or future physical or mental health or condition of an individual, to the provision of health care to an individual, or to the past, present, or future payment for the provision of health care to an individual, that identifies the individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify the individual.

Reconciliation Due Date means July 31 of each year of the Contract when the Contractor submits reporting to ensure that the claim amount charged to the Programs is in accordance with the definition of Brand and Generic Drugs set forth in this RFP and the Offeror's Financial Proposal. The reconciliation will include claims paid during the Plan Year. If the Procuring Agencies' review of the Contractor's reconciliation indicates an adjustment is required, then the Procuring Agencies' reserve the right to make an adjustment to the Contractor's submitted reconciliation.

Regulations of the President of the New York State Civil Service Commission means those regulations promulgated by the President of the Civil Service Commission under the authority of Civil Service Law, Article XI, as amended, and including, but not limited to those regulations to be promulgated as 4 New York Code of Rules and Regulations (NYCRR) Part 73.

Retail Pharmacy Network means the Contractor's credentialed network of participating independent, Chain Pharmacies, and specialty Pharmacies contracted to deliver services to Enrollees/Claimants.

Retiree means any person defined as a Retiree pursuant to the terms of 4 NYCRR Part 73, as amended.

RFP or Procurement means the Request for Proposals entitled "Pharmacy Benefit Services for The Empire Plan, Student Employee Health Plan, and New York State Insurance Fund Workers' Compensation Prescription Drug Programs".

Selected Offeror or Contractor means the Offeror selected as a result of the evaluation of Offeror's Proposals submitted in response to this RFP and who executes separate Contracts with the Procuring Agencies to provide Program Services.

Shall denotes the imperative in a contract clause or specification. Means required - being determinative/mandatory, as well as imperative. Also see "Must" and "Mandatory".

Should denotes the permissive in a contract clause or specification. Refers to items or information that the State has deemed are worthy of obtaining, but not required or obligatory. Also see "May".

Specialty Drug(s) means drugs that treat rare disease states; drugs requiring special handling, special administration, or intensive patient monitoring/testing; biotech drugs developed from human cell proteins and DNA, targeted to treat disease at the cellular level; or other drugs used to treat patients with chronic or life-threatening diseases identified as specialty medications through the mutual agreement of the Parties.

Specialty Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the Designated Specialty Pharmacy(ies) or a Limited Distribution Drug Pharmacy, for those Employee groups participating in the specialty pharmacy benefit. Prescriptions are considered to be submitted through the Specialty Pharmacy Process if they are a Limited Distribution Drug submitted directly to the Limited Distribution Drug Pharmacy, or if they are a Specialty Drug submitted directly to the Designated Specialty Pharmacy, by phone, fax, internet, e-prescribing or mail.

State or NYS means the State of New York.

Student Employee Health Plan (SEHP) means a health insurance plan for graduate student employees of the New York State University and the New York City University systems that provides benefits through the various Empire Plan Insurance Contracts. Like the Empire Plan, SEHP includes hospital, medical, managed mental health and substance use benefits, and prescription drug benefits, SEHP is administered by the New York State Department of Civil Service, Employee Benefits Division.

Subcontractor means any individual or legal entity (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) who has entered into a contract, express or implied, for the performance of a portion of the Contract with a Contractor.

Supplemental Wrap Coverage means standard Medicare Part D drug coverage that is coordinated with a Wrap plan to as closely as possible replicate benefits provided under the Empire Plan's Commercial Coverage.

Supplier means any entity that will provide supplies (i.e., inventory) as part of the Program Services under the resulting Contract and could refer to a subcontractor depending on context.

Therapeutic Equivalent Drug means a drug that can be expected to produce essentially the same therapeutic outcome and toxicity.

Transition Plan means a written plan for transition, which outlines, at a minimum, the tasks, milestones, and deliverables associated with transitioning the Plan to a new Contractor.

Use and Disclosure means that the Contractor may create, receive, maintain, access, transmit, use and/or disclose the Department's Protected Health Information (PHI) solely in accordance with the terms of this RFP.

Usual and Customary (U&C) means the retail price of a drug charged to the general public as submitted by the dispensing Pharmacy during claims processing.

Vaccination Network means the Contractor's credentialed network of participating independent and Chain Pharmacies contracted to deliver preventive vaccines to non-Medicare primary Enrollees.

Vendor means any entity that will provide Program Services under the resulting Contract and could refer to the successful Offeror or their subcontractors depending on the context.

Vestee means a former Employee who is entitled to continue benefits under NYSHIP because he/she/they has met all the requirements for NYSHIP coverage as a Retiree, except for age eligibility for pension, at the time employment terminates.

WCB means the New York State Workers' Compensation Board.

Will denotes the imperative in a contract clause or specification. Means required - being determinative/mandatory, as well as imperative. Also see "Must" and "Shall".