



LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH  
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV



MARVIN J. SOUTHARD, D.S.W.  
Director  
ROBIN KAY, Ph.D.  
Chief Deputy Director  
RODERICK SHANER, M.D.  
Medical Director

May 30, 2014

Dear Prospective Proposer:

**ADDENDUM NUMBER ONE (1) REVISING  
THE REQUEST FOR PROPOSALS  
FOR  
PHARMACY BENEFIT MANAGEMENT SERVICES  
(BID # DMH050114B1)**

The Los Angeles County Department of Mental Health (DMH) is issuing Addendum Number One (No. 1) to the Request for Proposals (RFP) for Pharmacy Benefit Management (PBM) Services released on May 1, 2014 (BID # DMH050114B1).

**The following revisions are being made to the PBM RFP:**

- 1) Section 1.4 Minimum Mandatory Requirements – RFP Introduction: The Minimum Mandatory Requirement **1.4.5** shall be revised from:

“Proposer must be accredited by the Utilization Review Accreditation Commission in PBM services and Drug Therapy Management and must submit a copy of each accreditation with the proposal.”

**to**

“Proposer must be accredited by the Utilization Review Accreditation Commission in PBM services and must submit a copy of this accreditation with the proposal submission.”

- 2) Section 2.10.6.1 Proposer’s Background and Experience – Business Proposal Package Format and Proposal Checklist Section 2.10.6 Proposer’s Qualifications: Sub Section 2.10.6.1 (C) shall be revised from:

“Provide clear documentation of URAC accreditation for PBM services and for Drug Therapy Management.”

**to**

“Provide clear documentation of URAC accreditation for PBM services.”

- 3) Section 1.4 Minimum Mandatory Requirements – RFP Introduction: The Minimum Mandatory Requirement 1.4.12 shall be revised from:

“Proposer must complete all Required Forms included as set forth in Appendix D - Required Forms Exhibits 1 - 26.”

to

“Proposer must complete all Required Forms included as set forth in Appendix D - Required Forms Exhibits 1 – 26 and must submit the Required Supplemental documents Exhibits 1 - 6.”

- 4) Section 2.8 Rebates – Subsection A. Number 1 Rebate Guarantees- Statement of Work: The Rebate Guarantees subsection shall be revised **to include a descriptor for one-tiered plans** and shall be revised from:

Rebate Guarantees:

- “For three-tiered plans with a \$15 or greater differential between the preferred and non-preferred brand co-payments, PBM shall guarantee a minimum annual, aggregate rebate reimbursement per all retail Claims paid by LACDMH, excluding reversals.
- For two-tiered plans or plans with less than a \$15 differential between the preferred and non-preferred brand co-payments, PBM shall guarantee a minimum annual, aggregate rebate reimbursement per all retail Claims paid by LACDMH, excluding reversals.”

to

Rebate Guarantees:

- “Based on LACDMH’s current Formulary and plan design PBM shall guarantee a minimum annual, aggregate rebate reimbursement per all retail Claims paid by LACDMH, excluding reversals.
- For two-tiered plans or plans with less than a \$15 differential between the preferred and non-preferred brand co-payments, PBM shall guarantee a minimum annual, aggregate rebate reimbursement per all retail Claims paid by LACDMH, excluding reversals.
- For three-tiered plans with a \$15 or greater differential between the preferred and non-preferred brand co-payments, PBM shall guarantee a minimum

annual, aggregate rebate reimbursement per all retail claims paid by LACDMH, excluding reversals.”

5) Section 2.10.6.14 Business Proposal Required Forms shall be revised from:

“Exhibits 13 (A-C) Instructions

- Exhibit 13A – Prescription Drug Effective Rates & Dispensing Fee
- Exhibit 13A – Prescription Drug Pricing Retail Quote
- Exhibit 13B – Administrative Fee(s)
- Exhibit 13C – Rebate Guarantees”

to

“Exhibits 13 (A-D) Instructions

- Exhibit 13-A – Prescription Drug Effective Rates & Dispensing Fee
- Exhibit 13-B – Prescription Drug Pricing Retail Quote
- Exhibit 13-C – Administrative Fees
- Exhibit 13-D – Rebate Guarantees”

6) Appendix D, Required Forms: Exhibit 11, Minimum Mandatory Requirements Checklist: The Appendix D, Required Form, Exhibit 11, shall be **replaced in its entirety** with Attachment 1, Exhibit 11 (see attached).

7) Appendix D, Required Forms: Exhibit 13-D, Rebate Guarantees: The Appendix D, Required Form, Exhibit 13-D, shall be **replaced in its entirety** with Attachment 2, Exhibit 13-D (see attached).

8) Section 2.3 RFP Timetable – **The timetable for this RFP is revised as follows:**

- Submission of Application for Exemption to Living Wage Program shall be amended from **05/28/14 to 06/23/14.**
- **Mandatory Proposers’ Conference** shall be amended from **05/20/14 to 06/16/14.**
- **Mandatory Letter of Intent (signed original on letterhead) must be delivered and signed in at 5<sup>th</sup> floor reception desk by 12:00 p.m., Pacific Standard Time (P.S.T.), and it shall be amended from 05/28/14 to 06/23/14.**

Prospective Proposer  
May 30, 2014  
Page 4

- Release of Proposer's Conference Transcripts shall be amended from **06/03/14 to 06/27/14.**
- **Proposals are due at the 5<sup>th</sup> floor reception desk by 12:00 p.m., Pacific Standard Time, and they shall be amended from 06/20/14 to 07/16/14.**

Due to the release of this Addendum, the "Mandatory Proposer's Conference" scheduled for Tuesday, May 20, 2014, at 1:00 p.m., at St. Anne's, Foundation Room, 155 North Occidental Boulevard, Los Angeles, CA 90026, was **cancelled and has been rescheduled for June 16, 2014, at 1:00 p.m., at the St. Anne's location.**

All other content will remain the same. No additional information will be provided by DMH staff.

Sincerely,



Richard Kushi  
Contracts Development and Administration Division

RK:RS:AB:coh

#### Attachments

c: Marvin J. Southard, D.S.W.  
Roderick Shaner, M.D.  
Robin Kay, Ph.D.  
Margo Morales  
Nancy Kless, L.C.S.W.  
Russell Kim, Pharm.D.  
Stephanie Reagan, County Counsel  
Lillian Russell, County Counsel  
Anna Bruce, M.S.W., M.P.A.  
Raymond Chow  
Cynthia O. Hernandez