

ORM 2014 Claims Management and Loss Prevention Services RFP
Addendum 8
Questions and Responses

1. "Pharmacy Benefit Management" is included as one of the Service Fees for the proposal. This would include such items as a review of drug use on a specific claim file and recommendations for proper drug management on the file. However, it is unclear to us whether that includes the actual cost paid to the PBM for the cost of drugs prescribed. The cost of the drugs is typically determined as Average Wholesale Price (AWP) adjusted by a percentage multiplier plus a fill fee. For example, a brand drug at retail might be AWP less 10 percent plus a \$5.00 fill fee. The cost of the drug would be paid as an allocated file medical / pharmacy expense. Is this correct? If not, please provide a clear example of what should be included in the service fee relating to pharmacy benefits for workers' compensation.

The cost of drugs will be paid as an allocated expense, using state funds.