



State of Georgia
In conjunction with
NASPO ValuePoint

Electronic Request for Proposals ("eRFP")
eRFP (Event) Number: 41900-DCH0000136
Event Name: Pharmacy Benefit Services

Attachment B -
Special Term Definitions



1 INTRODUCTION

The purpose of this document is to provide definitions for any special terms, acronyms, and abbreviations used throughout the Pharmacy Benefit Services eRFP.

2 GLOSSARY OF TERMS AND ABBREVIATIONS

Term/Acronym	Definition
340B Covered Entity (CE)	An entity participating in the 340B Program. 340B Covered Entities must register and be enrolled with the 340B Program and comply with all 340B Program requirements.
340B Drug Pricing Program (or 340B Program)	The program administered by the United States Department of Health and Human Services' (HHS) Health Resources and Services Administration (HRSA) pursuant to 42 USC §256b that requires drug manufacturers to provide Covered Outpatient Drugs (CODs) to eligible 340B Covered Entities at significantly reduced prices.
Accounting Interface (AI)	Implements the integration points for the system that hosts the accounting services of the bank.
Actual Acquisition Cost (AAC)	The Medicaid agency's determination of the actual prices paid by pharmacy providers to acquire drug products marketed or sold by specific Manufacturers in accordance with 42 C.F.R. Part 447, as amended by CMS' Notice of Proposed Rule Making as published in Volume 77, Number 22 of the Federal Register.
Ad hoc Reporting	Provides Authorized Solution Users the ability to create user specific queries to answer business questions.
Administrative Law Judge (ALJ)	In the context of administrative law, refers to an official who presides over state-level agency adjudication proceedings.
Americans with Disabilities Act (ADA)	The Americans with Disabilities Act (ADA) gives civil rights protections to individuals with disabilities that are like those provided to individuals on the basis of race, sex, national origin, and religion. It guarantees equal opportunity for individuals with disabilities in employment, public accommodations, transportation, State and local government services, and telecommunications.



Term/Acronym	Definition
Appeal	The process for reconsideration of a denied claim or prior authorization.
Authorized Solution User	A user of the Solution with permissions to access data or functionality relevant to their role.
Automated Clearing House (ACH)	A nationwide network through which depository institutions send each other batches of electronic credit and debit transfers.
Average Manufacturer Price (AMP)	The Average Manufacturer Price (currently set forth in 42 U.S.C. § 1396r8); as such, statute may be amended from time to time, excluding State Supplemental Rebate amounts.
Bank Identification Number (BIN)	The BIN helps pharmacies understand which insurance plan is being used and which plan to process.
Breast and Cervical Cancer (BCC)	Program provides full Medicaid benefits to uninsured women under age sixty-five (65) who are identified through the Centers for Disease Control and Prevention's (CDC) National Breast and Cervical Cancer Early Detection Program and are in need of treatment for breast and/or cervical cancer, including pre-cancerous conditions and early-stage cancer.
Business Analyst	A resource responsible for requirements gathering, business process definition and documentation development.
Business Continuity	Processes and procedures put in place to ensure essential functions continue during and after a disaster.
Business Day	Traditional workdays, including, Monday, Tuesday, Wednesday, Thursday, and Friday. State Holidays are excluded.
Calendar Day	Refers to any of all seven (7) days of the week including, Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, and Sunday.
Call Center Staff	Refers both to Contractor's staff answering telephone inquiries from pharmacy providers and/or Members and Prior Authorization (PA) representatives assisting Providers with PA requests.



Term/Acronym	Definition
Care Management Organization (CMO)	A CMO has a Health Maintenance Organization Certificate of Authority granted by the State for the provision of comprehensive health care services to Members on a capitated basis. It is an organization that combines the functions of health insurance, delivery of care, and administration. It can also be referred to as a Managed Care Organization (MCO) or Health Maintenance Organization (HMO).
Centers for Medicare and Medicaid Services (CMS)	The federal agency within the U.S. Department of Health and Human Services (HHS) with responsibility for the Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), or any successor or renamed agency carrying out the functions and duties heretofore carried out by such office.
CMS Certification	A generic term to represent CMS certification requirements.
Change Control Board (CCB)	The CCB provides a single point of decision making for the Change Management Process. The CCB is comprised of members of the Project Team, as well as members of the Contractor's project team. The CCB will meet formally to review, accept, and prioritize change requests. The members of the Contractor's project team will not have voting rights.
Change Management / Change Management Process	A process that facilitates the organized planning, development, and execution of modifications and enhancements to the Solution. The primary goals are to support the process of changes with minimal disruption to services and to enable traceability of the change(s). This process ensures that changes to a system are introduced in a controlled and coordinated manner and reduces the possibility that unnecessary changes will be introduced to a system without proper planning.
Change Request	A written form used to modify, delete, or add to the Deliverables or Services, in whole or in part, made in accordance with the terms of the Contract.
Children's Health Insurance Program (CHIP)	Low-cost health coverage to children in families that earn too much money to qualify for Medicaid.



Term/Acronym	Definition
Claim	A bill for services, a line item of services, or all services for one (1) Member within a bill.
Clinical Data	Data collected from Electronic Health Records (EHRs) which are made available via one or more of the following formats: • Clinical Document Architecture (CDA) R2 document. • Consolidated –Clinical Document Architecture (C-CDA) document. • Health Level Seven (HL7) version 2 message; and, • Healthcare Information Technology Standards (HITSP) C-32 or C-83 CCD.
Clinical Pharmacist	A member of the Contractor's team providing oversight of clinical issues as set forth in the Contract.
Code of Federal Regulations (C.F.R.)	The codification of the general and permanent regulations published in the Federal Register by the departments and agencies of the Federal Government.
Commercial Off-the-Shelf (COTS)	Proprietary software products that are ready-made and available for sale to the general public at established catalog or market prices.
Component (Solution Component)	Categories which further group the required functionality within each segment of the Solution.
Compound Drug	A prescription drug prepared by a pharmacist using at least two or more active ingredients
Consumer Price Index Urban (CPI-U)	A monthly measure of the average change over time in the prices paid by consumers for a market basket of consumer goods and services.
Contract	The written, signed agreement between the State and the Contractor, comprised of the Contract, any addenda, appendices, attachments, exhibits, or amendments thereto.
Contract Award	The date upon which the State announces actual award of the eRFP.



Term/Acronym	Definition
Contract Execution	The date upon which all parties have signed the Contract.
Contractor	The Supplier(s) that contracts with the Lead State or a Participating Entity to administer any of the four (4) Scopes of Work as part of the Pharmacy Benefit Services program.
Coordination of Benefits (COB)	The process by which the State determines if it should be the primary, secondary, or tertiary payer of pharmacy claims for a Member who has coverage from more than one health insurance company.
Co-payment	Participant's financial responsibility for a prescription assigned by Medicaid. Unless exempt, Recipients must pay a copay depending on the cost of the drug. Exempt Recipients include residents of a nursing facility, and pregnant clients under the age of 21. Tobacco cessation and family planning services are also exempt from co-payments.
Corrective Action Plan (CAP)	The detailed written plan required by the State to correct or resolve a deficiency or event, which may result in the assessment of liquidated damages or sanctions against the Contractor. To ensure that corrective actions are effective, the systematic investigation of the failure incidence is pivotal in identifying the corrective actions undertaken.
Covered Drug(s)	Means those FDA-approved outpatient prescription drugs, supplies and other items that are covered under the Medicaid Program.
Covered Entity	Are defined in the HIPAA rules as (1) health plans, (2) health care clearinghouses, and (3) health care providers who electronically transmit any health information in connection with transactions for which HHS has adopted standards.
Covered Outpatient Drug (COD)	These include FDA-approved prescription drugs, an over the counter (OTC) drug that is written on a prescription, a biological product that can be dispensed only by a prescription (other than a vaccine), or FDA-approved insulin.
Customer Service Representatives (CSR)	Refer to definition for Call Center Staff.



Term/Acronym	Definition
Customer Service Support Plan	Outlines the strategy a company will use to improve customer service and satisfaction.
Dashboard	A subset of information delivery that includes the ability to publish formal, web-based reports with intuitive displays of information. It has an easy to read, often single page, real-time user interface, showing a graphical presentation of the current status (snapshot), historical trends, or predictive views of an organization's Key Performance Indicators (KPIs) to enable instantaneous and informed decisions to be made at a glance.
Database	An organized collection of tables, indexes, constraints, and other data objects that conforms to the Physical Data Model.
Data Cleansing	The process of detecting and correcting (or removing) corrupt or inaccurate data from a record set, table, or database. Primarily used in databases, the term refers to identifying incomplete, inaccurate, or irrelevant parts of the data and then replacing, modifying, or deleting the 'dirty' data. Within the Transform part of the Extract, Transform, and Load (ETL) and Legacy System data conversion that converts input data to be consistent with the Physical Data Model and Data Dictionary.
Data Conversion	The process of converting all data from the State's Legacy Systems that is necessary to operate the Contractor's Solution and produce comparative reports for previous periods of operation.
Data Dictionary	A centralized repository of information about data such as meaning, valid values, relationships to other data, origin, usage, and format.
Data Exchange(s)	Data Exchanges may be via traditional, established direct interfaces between systems, other agreed upon protocols (e.g., transfers via SFTP, web streaming), and, more rarely, physical report and data transfers (e.g., encrypted DVD, encrypted thumb drive). Exchange mechanisms, methodologies, and protocols will vary considerably as documented in each exchange's Interface Control Document.



Term/Acronym	Definition
Data Governance	Data governance encompasses the people, processes, and information technology required to create a consistent and proper handling of an organization's data across the business enterprise. Data governance includes goals that may be defined at all levels of the enterprise which may aid in the acceptance of process by system users.
Data Management	A process of the State Enterprise Data Management Strategy (EDMS) that includes Data Governance, Data Modeling, implementation of the Data Model as Database, the load of data to the Database, Data Access retrieval of data from the database, and maintenance of the database.
Data Mining	The process of sorting/filtering through large amounts of data and picking out patterns of relevant information.
Data Model (Conceptual)	The high-level representation of organizational data and relationships, emphasizing business concepts without detailing database implementation. It forms the basis for more detailed data models during database design.
Data Model (Logical) (LDM)	The logical, normalized organization of data elements and the definitions, relationships, and constraints of those data elements.
Data Model (Physical)	A physical implementation of the LDM that adjusts for hardware and Database features and the nature of the project.
Dedicated	Assigned to exclusively work providing services to the State's Pharmacy Benefit Services Program. "Dedicated" is generally used to refer to certain Contractor resources, including staff. Dedicated staff may not be assigned to provide services or support to any other client of the Contractor. The use "Non-Dedicated" refers to not being exclusively assigned to a specific project or task.



Term/Acronym	Definition
Defect	A failure of a task, Milestone, Deliverable or Service to produce a correct result or to confirm to its specifications or requirements as defined in the Contract or other written documentation mutually agreed upon by the parties. Also referred to as an error, flaw, mistake, failure or fault in a computer program or system that produces an incorrect or unexpected result and can be traced to a requirement or specification that is not being met.
Deliverable	Any document, manual, report, work plan or any other required document submitted to the State by the Contractor to fulfill the requirements of the Contract.
Deliverable Expectation Document (DED)	The Deliverable Expectation Document (DED) presents pertinent information [e.g., Deliverable description, applicable industry standards, Contract or Scope of Work (SOW) references, acceptance criteria and schedule] specifying the expectations of a Deliverable.
Department of Health and Human Services (HHS)	The Department of Health and Human Services (HHS) is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.
Design, Development, and Implementation (DDI)	Design, development, and implementation. A DDI project involves the creation and/or implementation of a new Information Technology (IT) solution.
Disaster Recovery Plan	The plan developed and maintained by the Contractor to ensure the prompt resumption of business operations and transactions after the disruption or loss of the Contractor's primary processing or operational site through adequate alternative facilities, equipment, back-up files, documentation, and procedures.
Downtime	Any time one of the Contractor's systems is unavailable for any reason other than scheduled maintenance for which the State has received prior notice in accordance with the terms of the Contract.
Drug Classes	A group of medications with certain similarities.



Term/Acronym	Definition
Drug Efficacy Study Implementation (DESI)	Any drug which lacks substantial evidence of effectiveness (less than effective) and is subject by the U.S. Food and Drug Administration (FDA) to a Notice of Opportunity for Hearing. This includes drugs which are identical, related, or similar to DESI drugs. Refers to pre-1962 drugs which were permitted to remain on the market while evidence of their effectiveness was reviewed. The program established under which the FDA would review the effectiveness of drugs approved between 1938 and 1962 was named the Drug Efficacy Study Implementation (DESI) program.
Drug Utilization Review (DUR)	Means the process for reviewing utilization of outpatient Covered Drugs by Members on the basis of clinical protocols utilized by the Contractor as approved by the State. For purposes of the Medicaid program, DUR shall be established and implemented pursuant to federal requirements (currently codified at Section 1927(g) of the Social Security Act and 42 C.F.R. §§ 456.700 <i>et seq.</i>), which requires prospective (concurrent) and retrospective drug use review and on-going educational outreach to pharmacists and physicians on common drug therapy problems with the goal of improving prescribing and dispensing practices under the Medicaid Program.
Durable Medical Equipment (DME)	Medical equipment and supplies ordered by a healthcare provider for a patient's routine, long-term use.
Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)	Equipment which can withstand repeated use, is primarily and customarily used to serve a medical purpose and generally is not useful to a person in the absence of illness or injury and is appropriate for use in the home.
Effective Date	The date of execution of the Master Agreement or any Participating Addendum Contract by all parties following approval of the Contract by the State and the applicable federal government agencies.
Electronic Funds Transfers (EFT)	A digital money movement from one bank account to another.



Term/Acronym	Definition
Electronic Health Record (EHR)	An Electronic Health Record (EHR) is an evolving concept defined as a systematic collection of electronic health information about individual patients or populations. It is a record in digital format that is theoretically capable of being shared across different health care settings. In some cases, this sharing can occur by way of network-connected enterprise-wide information systems and other information networks or exchanges. EHRs may include a range of data, including demographics, medical history, medication and allergies, immunization status, laboratory test results, radiology images, vital signs, personal stats like age and weight, and billing information.
Electronic Prescribing (ePrescribing)	Enables a prescriber to electronically send an accurate, error-free and understandable prescription directly to a pharmacy from the point-of-care.
Electronic Prior Authorization (ePA)	The electronic transmission of information between the prescriber and payer to determine whether the PA is granted.
Electronic Request for Proposals (eRFP)	The digital version of a Request for Proposal, or RFP.
Eligibility File	The list submitted by the State or its agent to the Contractor in electronic or other mutually acceptable form indicating Members eligible for Covered Drugs.
Encounter	A Claim submitted by a Managed Care Entity for reporting purposes only. Encounters are not Billable Claims but may create a financial transaction for the managed care plan.
Enhancement	Non-functional or functional changes and/or performance improvements that require configuration or customization to the Solution. Enhancements follow a formal Change Management Process that will be established through the Change Management Plan following the Contract award.
Enterprise Data Management Strategy (EDMS)	The process of inventorying and governing your business' data and getting your organization onboard with the process.



Term/Acronym	Definition
Evaluation Committee	A committee that will be created before the opening of submitted proposals in order to conduct reviews of the proposals. The committee will evaluate proposals based on content and will ensure the fair and impartial treatment of all Suppliers.
Extract, Transform, and Load (ETL)	A database and data warehousing process used to extract data from outside sources (one or more systems), transform it to fit operational needs (cleansing/modification), and load it into the end target (database, operational data store, data mart, or data warehouse).
Federal Financial Participation (FFP)	The Federal government's share of an expenditure made under the Contract.
Federal Rebate	The quarterly payment by a Manufacturer to the State pursuant to a Manufacturer's CMS Agreement, made in accordance with federal law (currently codified at Section 1927(c)(1) or Section 1927(c)(3) of the Social Security Act (42 U.S.C. § 1396r-8(c)(1) or 42 U.S.C. § 1396r-(c)(3)) with respect to the Covered Drug.
Federal Upper Limits (FUL)	The maximum reimbursement limit for medications set by CMS.
Fee-for-Service (FFS)	A method of reimbursement based on payment for specific services rendered to a Member.
Fiscal Agent	The entity contracted with the State to manage the enrollment broker, process Fee-for-Service Medicaid, accept and maintain managed care encounter Claims, process capitation payments to the CMOs, and process other non-specific payments with the exception of pharmacy Claims for FFS Members.
Fraud and Abuse	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit or financial gain to him/herself or some other person. It includes any act that constitutes fraud under applicable law.
Generally Accepted Accounting Principles (GAAP)	Standardized accounting practices utilized in ensuring that financials are accurately recorded and managed.



Term/Acronym	Definition
Generic Code Number (GCN)	Five-digit generic code number that identifies generic product equivalency.
Generic Sequence Numbers (GSNs)	Uniquely identifies a product/formulation specific to its agent, dosage form, strength, and route of administration.
Guaranteed Net Price (GNP)	The final fixed price of the drug assured by the pharmaceutical Manufacturer to the State.
Health Information Technology for Economic and Clinical Health (HITECH) Act	Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5, 123 Stat. 226 (Feb. 17, 2009), codified at 42 U.S.C. §§ 300jj <i>et seq.</i> ; §§ 17901 <i>et seq.</i>). The HITECH Act is a federal law that establishes a transparent and open process for the development of standards to allow for the nationwide electronic exchange of information between doctors, hospitals, patients, health plans, the government, and others by the end of 2009. It establishes a voluntary certification process for Health Information Technology products. The National Institute of Standards and Technology provides for the testing of such products to determine if they meet the national standards that allow for the secure electronic exchange and use of health information.
Health Insurance Portability and Accountability Act (HIPAA)	45 C.F.R. Parts 160, 162 and 164, as well as the regulations thereunder, HIPAA includes requirements to protect the privacy of individually identifiable health information in any format, including written or printed, oral and electronic, to protect the security of protected health information in electronic format, to prescribe methods and formats for exchange of electronic medical information, and to uniformly identify Providers.
Health Resources & Service Administration (HRSA)	Provides equitable health care to the nation's highest-need communities exchange of information between doctors, hospitals, patients, health plans, the government and others by the end of 2009.



Term/Acronym	Definition
Healthcare Common Procedure Coding System (HCPCS)	A set of healthcare procedure codes established to provide a standardized coding system for describing the specific items and services provided in the delivery of health care. Such coding is necessary for Medicare, Medicaid, and other health insurance programs to ensure that insurance claims are processed in an orderly and consistent manner. HIPAA mandates the use of the HCPCS for transactions involving health care information.
Hierarchical Ingredient Code (HIC)	Identifier that represents an active ingredient and its specific therapeutic classification.
Holiday	A day identified as a non-working day for the State.
Independent Verification & Validation (IV&V)	A comprehensive review, analysis, and testing, (software and/or hardware) performed by an objective third party to confirm (i.e., verify) that the requirements are correctly defined, and to confirm (i.e., validate) that the system correctly implements the required functionality and security requirements.
Interactive Voice Response (IVR)	Interactive Voice Response (IVR) is an automated phone system technology that allows incoming callers to access information via a voice response system of prerecorded messages without having to speak to an agent, as well as utilize menu options via touch tone keypad selection or speech recognition to have their call routed to specific departments or specialists.
Interface Control Document	A formal means of establishing, defining, and controlling interfaces and Data Exchanges. It presents the information required to define an interface or Data Exchange with other systems, interface partners, and/or Data Exchange partners. It documents any rules for communicating with those entities, all possible inputs to and outputs, periodicity, and other details necessary to fully understand the interface or exchange.
International Classification of Diseases (ICD)	ICD serves a broad range of uses globally and provides critical knowledge on the extent, causes and consequences of human disease and death worldwide via data that is reported and coded in the ICD. The ICD-10 (Tenth Revision) is the most current version.



Term/Acronym	Definition
Issue	An unplanned event or situation that has the potential to impact a project's objectives, scope, schedule, cost, or quality.
J-Code	Used to describe drugs and medical devices. J-Codes are part of the Healthcare Common Procedure Coding System (HCPCS) set of procedure codes.
Key Milestone(s)	Fundamental markers that signify major accomplishments, pivotal events, or the completion of key deliverables within a project's timeline.
Key Staff	Contractor staff positions identified as critical to the success of Contractor's performance of the Contract.
Labeler	Companies or organizations that manufacture drugs. Also referred to as Manufacturer.
Lead State	The State that manages and executes the cooperative procurement on behalf of NASPO ValuePoint and administers any resulting Master Agreement(s).
Legacy System(s)	The existing method, technology, computer system or application that will be replaced when converted into a new method, technology, system, or application. The use of this term refers to the State's current data warehouse/ decision support system and Medicaid Management Information System (MMIS) data repository and supporting systems.
Lessons Learned Register	A project document used to record knowledge gained during a project so that it can be used in the current project and entered into the document repository for future projects.
Local Facility	A location, managed by the Contractor, within a State-specified distance from a State-identified central location, required by the State for the performance of all or part of the Scope of Work. If a Local Facility requirement exists for the State when establishing its Participating Addendum, the Contractor shall work with the State to meet the requirement.
Manufacturer	A company or organization that manufacture drugs. Also referred to as Labeler.



Term/Acronym	Definition
Master Agreement	A contract, resulting from this RFP, that is executed by and between a successful Supplier and the Lead State, acting on behalf of the members of the NASPO ValuePoint purchasing cooperative.
Maximum Allowable Cost (MAC)	The maximum reimbursement limit for certain multiple sources Covered Drugs, including brand and generic drugs, as derived by the Contractor, approved by the State, and updated periodically using the most current information provided to the Contractor by drug pricing services such as First DataBank, Medi-Span, or other recognized sources.
Medicaid	The joint Federal and State program of medical assistance established by Title XIX of the Social Security Act, which is administered by the State.
Medicaid Drug Rebate Program (MDRP)	A program that includes Centers for Medicare and Medicaid Services (CMS), state Medicaid agencies, and participating drug manufacturers that helps to offset the federal and state costs of most outpatient prescription drugs dispensed to Medicaid patients.
Medicaid Enterprise System (MES)	Refers to the new modular MMIS which typically includes modules such as Provider Services, Claims Processing/ Financial Management, Electronic Visit Verification, Third Party Liability Services, Pharmacy Benefit Services, as well as additional modules may include Care Management, Behavioral Health Management, Program Integrity, and Population Health Management. Other functionality often includes an Integration Platform, API Gateway, Operational Data Store, a landing page for member, provider and worker access, identity and access management functionality, and shared services.
Medicaid Exclusion File (MEF)	A file listing covered entities that have chosen to use 340B drugs for their Medicaid patients and to bill Medicaid for those drugs (carve-in). When Covered Entities choose to carve-in for Medicaid, they must provide the Office of Pharmacy Affairs with the Medicaid Provider Number/NPI used to bill Medicaid.



Term/Acronym	Definition
Medicaid Information Technology Architecture (MITA)	An initiative sponsored by the Center for Medicare and Medicaid Services (CMS). MITA is intended to foster integrated business and IT transformation across the Medicaid enterprise. It will establish guidelines for technologies and processes that can enable improved program administration for the Medicaid enterprise. *Any references to MITA in the eRFP refers to the current version of MITA.
Medicaid Management Information System (MMIS)	An integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives. Typically refers to the Legacy System.
Medicare	A federally funded healthcare program for people age sixty-five (65) years old and older, people under the age sixty-five (65) with certain disabilities, and people of all ages with End-Stage Renal Disease (ESRD).
Member	As used in this Contract, a Medicaid recipient who is currently enrolled to receive Medicaid benefits. May also be referred to as Recipient, Participant, Patient, or Beneficiary.
Milestone	A milestone signifies a significant achievement or phase completion in a project's progress, aiding in assessment, resource allocation, and decision-making. Milestones are tied to specific deliverables and are crucial for tracking and communicating progress to stakeholders.
Multi-Factor Authentication (MFA)	More than one type of security process to qualify a person for access to the system, the application and/or the data.
National Association of State Procurement Officials (NASPO)	A non-profit association dedicated to advancing public procurement through leadership, excellence, and integrity. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia, and the territories of the United States.



Term/Acronym	Definition
National Average Drug Acquisition Cost (NADAC)	The National Average Drug Acquisition Cost is based on the retail price survey and focuses on the retail community pharmacy acquisition costs. CMS has mandated that Medicaid pharmacy programs reimburse the Actual Acquisition Cost (AAC) of drugs plus a professional dispensing fee (e.g., co-payment, coinsurance and/or deductible).
NASPO ValuePoint	The cooperative contracting division of NASPO.
National Council for Prescription Drug Programs (NCPDP)	A non-profit organization that develops and promotes healthcare industry standards in the drug supply chain that improves patient safety and health outcomes. It creates national standards for real-time electronic prescription communication and real-time information exchange for prescribing, dispensing, monitoring, managing, and payments.
National Drug Code (NDC)	A unique 10-digit or 11-digit (depending on the product), 3-segment number used in the United States for drugs intended for human use. It is not specific to another attribute or product identifier. The three (3) segments of the NDC identify the Labeler, the Product, and the commercial package size. The first set of numbers in the NDC identifies the Labeler (Manufacturer, repackager, or distributor). The second set of numbers is the product code, which identifies the specific strength, dosage form (i.e., capsule, tablet, liquid) and formulation of a drug for a specific Manufacturer. Finally, the third set is the package code, which identifies package sizes and types. The labeler code is assigned by the FDA while the product and package codes are assigned by the Labeler.
National Provider Identification (NPI)	A unique 10-digit identification number assigned to healthcare providers by the Centers for Medicare and Medicaid Services (CMS) in the United States. It is used to identify healthcare providers and organizations in standard transactions, such as electronic health claims and other administrative processes.
Omnibus Reconciliation Act (OBRA)	A federal law mandating States establish a program to ensure the collection of Manufacturers' drug rebates.



Term/Acronym	Definition
Operations and Maintenance (O&M)	A project that involves updating an existing system like an enhancement or a version upgrade.
Operational Readiness Review (ORR)	A rigorous, evidence-based assessment that evaluates state, local, and territorial planning, and operational functions.
Operational Data Store (ODS)	A module in the MES serving as a central database that provides a snapshot of the latest data from multiple transactional systems for operational reporting.
Ordering, Prescribing and Referring File	A provider that will only be ordering, prescribing, and referring services for Medicaid recipients and won't be billing Medicaid for these services.
Other Payer Amount Paid (OPAP)	Second payer billing.
Other Payer Patient Responsibility Amount (OPPRA)	Providers are required to indicate the amount (e.g., copayment, deductible) for which a Member is responsible to another payer.
Other Staff	Individuals and subcontractors, in addition to Key Staff, assigned to positions to complete tasks associated with the Statement of Work.
Participating Addendum	A bilateral agreement executed by a Contractor and a Participating Entity incorporating the Master Agreement and any other additional Participating Entity specific language or other requirements, e.g., Statement of Work, ordering procedures specific to the Participating Entity, and/or other terms and conditions.
Participating Entity	A state, or other legal entity, properly authorized to enter into a Participating Addendum.
Participating Pharmacy(ies)	A duly licensed pharmacy with which the State has executed a Statement of Participation and is included in the Medicaid Pharmacy Network to provide Covered Drugs to Members.



Term/Acronym	Definition
Pharmacy Network	Means the pharmacies enrolled in the Medicaid program with which the State has executed a Statement of Participation to provide Covered Drugs and other required services to Recipients in the Medicaid program.
Project Management Body of Knowledge (PMBOK)	A comprehensive knowledge center developed and maintained by the Project Management Institute.
Project Phase	Distinct stage or step in the life cycle of a project, marked by a set of related activities and tasks that contribute to the overall completion of the project.
Project Stage(s)	Refers to the Design, Development, and Implementation (DDI) Project Stage or the Operations and Maintenance (O&M) Project Stage.
Prospective Drug Utilization Review (ProDUR)	A review of a person's medication record and prescription drug orders prior to dispensing.
Pharmacy Benefit Administrator (PBA)	An organization contracted by the State to serve as a third-party administrator of prescription drug programs for the Medicaid program. The PBA is primarily responsible for processing and paying prescription drug claims.
Pharmacy Benefit Design (PBD)	Pharmacy Benefit Design, in the context of Pharmacy Benefit Administrator (PBA) system requirements, refers to the structure and details of a health insurance plan or prescription drug benefit plan. It encompasses the specific features and parameters that govern how prescription medications are covered and accessed by the members of the health plan. The goal of PBD is to ensure that patients have appropriate and affordable access to necessary medications while managing costs and maintaining the overall quality of care.
Pharmacy Lock-In (PLI)	Detects and prevents abuse of the pharmacy benefit, as defined by specific criteria, by restricting Members to one specific Pharmacy and controlled substance prescriber (if one is chosen) for a defined period of time.



Term/Acronym	Definition
PHI (Protected Health Information) / PII (Personally Identifiable Information)	A subset of health information, including demographic information collected from an individual and (1) created or received by a health care provider, health plan, employer, or health care clearinghouse, and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) is a reasonable basis to believe the information can be used to identify the individual. This information is (i) transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium. PHI excludes individually identifiable health information (i) in education records covered by the Family Educational Rights and Privacy Act, (ii) in employment records held by a covered entity in its role as employer; (iii) regarding persons who have been deceased for more than fifty (50) years; and (iv) in records described at 20 U.S.C. §1232g(a)(4)(B)(iv).
Point-of-Sale (POS)	The actual pharmacy or drugstore where the prescription is being filled or delivered to the Member.
Preferred Drug List (PDL)	A list of medications, both preferred and non-preferred, within a therapeutic class designed to maximize clinical and economic benefit as determined by the State in consultation with the State Advisory Board. The PDL identifies medications Providers may prescribe with and without restrictions such as prior authorization.
Primary Care Provider (PCP)	A health care practitioner who sees people that have common medical problems. This person is most often a doctor. However, a PCP may be a physician assistant or a nurse practitioner.
Primary Payer Reject Codes	Reasons claims are rejected.
Prior Authorization (PA)	The program applied by the Contractor requiring Pharmacies and other prescribers to request prior approval of certain types or amounts of Covered Drugs before dispensation using applicable State-approved guidelines.



Term/Acronym	Definition
Prior Period Adjustment (PPA)	A prior period adjustment is a change in the Rebate Payment based on a Manufacturer's/Labeler's revised AMP or Best Price data for a prior rebate period after that rebate period's pricing data have been submitted to HHSC. The Manufacturer/Labeler must submit changes to the AMP or Best Price within three (3) years 12 Quarters from the date that the prior rebate period's data are due.
Prior Quarter Adjustment Statement (PQAS)	A statement used to reconcile and explain prior quarter actions/ payments/ credits to states.
Processor Control Number (PCN)	A secondary identifier that is used in routing of pharmacy transactions. It differentiates different plan/ benefit packages with the use of unique PCNs.
Product	Any prescription drug or OTC drug product covered by the State's Medicaid Pharmacy Program.
Production	The system hardware and software environment designated as the final stage in the release process, which serves the end-users/Members.
Provider	An individual or entity providing health care. Includes, but is not limited to, Pharmacies, prescribers and other entities as applicable.
Provider Administered Drug List (PADL)	A list of physician-administered drugs that can be billed to the medical benefit using an appropriate Healthcare Common Procedure Coding System (HCPCS) code and National Drug Code (NDC).
Provider Enrollment	A completed capture and verification of provider demographic, licensure, disclosure information, and an executed provider participation agreement. This includes a Billable Provider Revalidation.



Term/Acronym	Definition
Quantity Level Limits (QLL)	Limits on the number of dosage units that will be covered over a period of time (e.g., daily or monthly). QLLs ensure that you receive the medication you need in the quantity that is considered safe and recommended by the drug manufacturer, the U.S. Food & Drug Administration (FDA), and clinical studies.
Reconciliation of State Invoice (ROSI)	A form generated by the Office of Management and Budget and completed by the Manufacturer/Labeler for purposes of invoice reconciliation.
Rebates	All pharmaceutical manufacturer rebates paid to Medicaid pursuant to OBRA or a direct Supplemental Rebate contract with the State, or any other additional fees or administrative charges paid by a pharmaceutical Manufacturer to Contractor.
Request for Proposals (RFP)	A formal solicitation method that seeks to leverage the creativity and knowledge of business organizations in order to provide a solution to a unique procurement. The RFP process allows Suppliers to propose their own comprehensive and innovation solution to the State's needs and seeks to identify the best value for the State by using a combination of technical and cost factors to evaluate submitted proposals. An RFP released electronically is referred to as an eRFP.
Requirements Analysis Document (RAD)	A document that collects, organizes, and tracks the project requirements from key stakeholders. It confirms and clarifies all requirements that need to be met to successfully complete the Project.
Requirements Traceability Matrix (RTM)	A Solution design deliverable that is utilized throughout the Project as a tracking instrument and a source of contractual fulfillment. It is used to prove that requirements have been fulfilled and it typically documents requirements, tests, test results, and issues.



Term/Acronym	Definition
Retrospective Drug Utilization Review (RetroDUR)	The analysis of past drug utilization for clinical education to targeted prescribers. Includes development of a clinical intervention letter with industry standards outlined and a recommended course of action, as appropriate. A physician survey is attached. A detailed patient information sheet is included, when appropriate. RetroDUR processes are expected to include an impact analysis and assessment.
Risk	Uncertain event or condition that, if it occurs, has a positive or negative effect on at least one project objective, such as scope, schedule, cost, or quality.
Rules Engine	Rules Engine or Business Rule Engine (BRE) is a software component or system that automates the execution and management of business rules within an organization. Business rules are specific guidelines, policies, or conditions that dictate how business processes and decisions should be carried out.
Scheduled Downtime	A pre-approved time during which the Solution is not available for reasons including maintenance, system updates, upgrades, and patches.
Schedule Performance Index (SPI)	A measure of the conformance of actual progress (earned value) to the planned progress. A value of 1.0 indicates that the project performance is on target.
Scope of Work (SOW)	The tasks and activities the Contractor is required to perform to fulfill its obligations under the Contract, including the performance of any services and delivery of any goods. Also referred to as Project.
Section 508 Compliance	Refers to the adherence to accessibility standards outlined in Section 508 of the Rehabilitation Act of 1973. It ensures that electronic and information technology developed or procured by federal agencies is accessible to individuals with disabilities, promoting inclusivity and equal access to digital assets. In project management and requests for proposals, it involves incorporating relevant standards like the Web Content Accessibility Guidelines to ensure the accessibility of websites, software, and documents.



Term/Acronym	Definition
Secure File Transfer Protocol (SFTP)	A secure file transfer protocol that uses secure shell encryption to provide a high level of security for sending and receiving file transfers.
Software Development Life Cycle (SDLC)	A structured and systematic process used by software developers and project managers to plan, design, build, test, deploy, and maintain high-quality software systems.
Solution	The comprehensive set of products, strategies, and methodologies proposed by a Supplier to address the specific needs and requirements outlined in the applicable Scope of Work (SOW).
State	The Lead State or any other authorized Participating Entity issuing a Participating Addendum against the Master Agreement.
State Advisory Board	A committee that promotes patient safety through an increased review and awareness of outpatient prescribed drugs. It recommends medical criteria, standards and educational intervention methods used in the DUR program. It also advises the State about products considered to be the most clinically effective. for members. The Board reviews drug therapy, drug studies and utilization information, thus enabling the State to identify the most cost-effective policies for its members.
State Drug Utilization Data (SDUD)	Drug utilization data reported by states for CODs that are paid for by state Medicaid agencies since the start of the Medicaid Drug Rebate Program. The data includes the state, drug name, NDC, number of prescriptions, and dollars reimbursed.
State Pharmaceutical Assistance Program (SPAP)	State-run programs that provide financial assistance to certain populations to help pay for prescriptions. Coverage varies widely by state, usage, and specificity.
Step Therapy(ies)	The process by which the State may require that certain lower cost or clinically appropriate drugs are tried first to treat a person's medical condition before a second-line drug will be covered.



Term/Acronym	Definition
Streamlined Modular Certification (SMC)	A process for certifying Medicaid information Technology (IT) systems or services known as Medicaid Enterprise Systems (MES) modules. The SMC certification process includes elements related to outcomes (CMS and State), conditions for enhanced funding, basic indicators of project health, metrics, operational reports and other required artifacts for MES. SMC applies throughout the Medicaid IT investment lifecycle.
Subcontractor	Any third party who has a written contract with the Contractor to perform a specified part of the Contractor's obligation under this Contract.
Supplier	Any individual or entity that submits a proposal, or intends to submit a proposal, in response to this procurement.
Supplemental Rebates (SR)	Any cash rebate that offsets expenditures and that supplements CMS Federal Rebates.
Supplemental Unit Rebate Amount (SURA)	The amount a Manufacturer agrees to pay the State under this agreement at the unit level.
Technical Proposal	The document(s) submitted by a Supplier outlining how it will meet the requirements for the Scope of Work as described in the eRFP. The Technical Proposal does not include any pricing information.
Termination Date	Defined by CMS as (1) the expiration date of the last batch of a discontinued drug sold by the Manufacturer or (2) the date that the FDA or the Manufacturer withdraws a drug from the market for health and safety reasons or orders such withdrawal.
Third Party Liability (TPL)	Refers to the legal obligation of third parties to pay all or part of the expenditures for medical assistance.
Transformed Medicaid Statistical Information System (T-MSIS)	T-MSIS collects Medicaid and Children's Health Insurance Program (CHIP) data from U.S. states, territories, and the District of Columbia into the largest national resource of beneficiary information.



Term/Acronym	Definition
Unit	The lowest identifiable dosage form of a drug product (e.g., tablet or capsule for solid dosage forms, milliliter for liquid forms, and gram for ointments or creams).
Unit Rebate Amount (URA)	The unit amount computed by CMS to which the Medicaid utilization information may be applied by States in invoicing the Manufacturer for the rebate payment due.
Unit Rebate Offset Amount (UROA)	The unit amount calculated by CMS pursuant to 42 U.S.C. 1396r-8(b)(1)(C).
Universal Product Codes (UPCs)	A scannable barcode made of a series of black lines found on product packaging that contains a unique identification number to help identify a product.
User Acceptance Testing (UAT)	The process to obtain confirmation that a system meets mutually agreed-upon requirements. Typically completed by the customer, UAT is one of the final stages of a project and often occurs before the customer accepts the new system.
Utilization Management	Designed to ensure patient safety and the use of cost-effective medicines.
Wholesale Acquisition Cost (WAC)	Represents the Manufacturer's published catalog or list price for a drug product to wholesalers. WAC does not represent actual transaction prices and does not include prompt pay or other discounts, rebates, or reductions in price.