



State of Georgia
In conjunction with
NASPO ValuePoint

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

Attachment E - Service Level Agreements



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1 OVERVIEW

The Contractor shall meet all requirements in this eRFP. Specific performance standards, as well as the liquidated damages that will be applied if those standards are not met, are detailed in this document. Full payment shall be made on each invoice upon State review and determination that the Contractor has performed in accordance with the performance standards in this attachment and other duties and responsibilities as set forth in this eRFP.

In the event the Contractor fails to comply with the performance standards provided in this attachment, the State may assess liquidated damages as specified herein. For any liquidated damages assessed on a per Calendar or Business Day basis, assessments shall consist of each day the delayed performance at issue is past due including any part remaining thereof the day said performance is completed.

2 SERVICE LEVEL AGREEMENTS (SLAs)

The following table indicates the applicability, denoted by an “X” in the Scope of Work (SOW) column(s), of each Service Level Agreement (SLA) associated with this eRFP. SOWs are abbreviated in the table as follows: “**PBA**” for Pharmacy Benefit Administrator Services, “**CM**” for Pharmacy Clinical Management Services, “**FWA**” for Pharmacy Fraud, Waste, and Abuse Audit Services, and “**RS**” for Pharmacy Drug Rebate Services.

ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-01	X	X	X	X	Project Implementation – Timely & Operational Implementation The Contractor shall meet all Key Milestones identified in the approved and baselined versions of the Project Schedule: A. Project Phase I – Project Planning and Startup B. Project Phase II – Design, Development, and Testing C. Project Phase III – Operational Readiness and Production Cutover The Project Schedule may be baselined at the end of each Project Phase contingent on approval from the State and according to the approved Change Management Process.	A. The Contractor shall pay the State \$25,000 for failure to meet any Key Milestone. B. The Contractor shall pay the State \$50,000 for failure to meet any Key Milestone. C. The Contractor shall pay the State \$75,000 for failure to meet any Key Milestone. If the Go Live date in Project Phase III is missed, an additional assessment of \$100,000 per month or portion thereof will be assessed if the Project is not implemented by the first day of each subsequent calendar month.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-02	X	X	X	X	Project Delivery & Required Deliverables The Contractor shall provide all Design, Development, and Implementation (DDI), Operations, and Transition / Cutover Plan Deliverables ("Project Deliverables") within the timeframes identified in the approved Project Plan, Project Schedule, Work Plan, State Certification Plan (if applicable), Contract, and eRFP. The Contractor shall submit all final Project Deliverables within five (5) Business Days, or as agreed upon by the State, of receiving State feedback on draft Project Deliverable submissions.	The Contractor shall pay the State \$1,000 for each Business Day that the Contractor fails to meet this Service Level Agreement beyond the due date for each late FINAL Deliverable.
SLA-03	X	X	X	X	Enhancements (Legislative or Other) A. For any legislative enhancements that are required by federal or state law or regulations, such enhancements shall be completed by the Contractor within a timeframe determined by the State to ensure that both parties are compliant with such federal or state law or regulation. B. B. All other enhancements shall be completed by the Contractor within the timeframe mutually agreed upon by the parties.	A. The Contractor shall pay the State \$1,000 per Calendar Day that it fails to meet standard A in full. B. The Contractor shall pay the State \$500 per Calendar Day that it fails to meet standard B in full.
SLA-04	X	X	X	X	System Downtime Notification – Scheduled The Contractor shall notify the State at least seventy-two (72) hours prior to all Scheduled Downtimes that occur outside of the agreed upon scheduled maintenance window that affect any of the platforms necessary to meet contract requirements.	The Contractor shall pay \$5,000 per occurrence (if any) in which the standard was not met. Performance will be measured monthly.
SLA-05	X	X	X	X	System Downtime Notification – Unscheduled The Contractor shall notify the State immediately on discovery of any Downtime of the Contractor's system that affects any of the platforms necessary to meet contract requirements. This does not include scheduled maintenance Downtime for which the State has received prior notice in accordance with the terms of the Contract.	The Contractor shall pay \$5,000 per occurrence (if any) in which the standard was not met in full. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					At a minimum, the notification shall include the start of the system Downtime, expected recovery time, and an initial explanation of the issue and what has been done to prevent future occurrences. The Contractor shall provide regular updates as to the status and will report immediately upon system restoration.	
SLA-06	X	X	X	X	Turnover Plans The Contractor shall provide a Turnover Plan annually sixty days (60) after initial Contract Execution or renewal dates. Upon Contract termination, the Contractor must turn over all materials and data (in a format defined by the State) necessary to the State or the successor vendor in accordance with the Contract to ensure business continuity and prevent financial loss to the State. Within two (2) Business Days of notification of Contract termination, all materials, and data necessary for successful transition must be identified by the Contractor to the State. All materials identified by the Contractor or the State as necessary for transition activities must be provided to the State within sixty (60) Calendar Days of identification unless an alternate time frame is approved by the State in writing.	The Contractor shall pay the State \$2,000 for each Business Day that any part of this standard is not met. At the State's sole discretion, the above fees shall be deducted from any final payment owed to the Contractor or paid to State within one hundred twenty (120) Calendar Days of Contract termination.
SLA-07	X	X	X	X	Timely Response The Contractor will have no more than three (3) documented instances per quarter in which it fails to provide a directly responsive answer to written inquiries received from Providers or the State within two (2) Business Days of receipt. For purposes of this standard, "directly responsive answer" means a substantive and meaningful response to the inquiry.	The Contractor shall pay the State \$1,000 per instance per Business Day in which the standard is not met in full. Performance will be measured monthly.
SLA-08	X	X	X	X	Corrective Action Plans (CAPs) The Contractor shall respond with a written Corrective Action Plan (CAP) and timeframes for resolution no later than five (5) Business Days after receipt of written	The Contractor shall pay the State \$500 for each Business Day that the Corrective Action Plan (CAP) is late. If the CAP is unacceptable and not corrected within five (5) Business Days of written notification by the State to the Contractor



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					notification of non-compliance with contractual obligations, unless otherwise agreed upon by the State in writing. To be acceptable, a CAP must include: (1) a detailed explanation of the reasons for the deficiency; (2) the Contractor's assessment or diagnosis of the deficiency's cause; (3) a specified proposal to cure or resolve the deficiency; and (4) timeframes for resolution.	outlining reasons the plan is considered unacceptable, the Contractor shall pay the State \$500 for each Business Day until an acceptable CAP is delivered. Any time the CAP is under review by the State will not be included in the assessment of liquidated damages.
SLA-09	X	X	X	X	Reports – Timeliness & Accuracy of Report Production All reports referenced and required in the eRFP and Contract must be submitted by the deadlines established in the eRFP and Contract or thereafter as established in the Requirements Analysis Document (RAD) or as communicated by the State to the Contractor in writing. All reports must be submitted timely, accurately, and complete.	The Contractor shall pay the State one percent (1%) of the month's administrative fees for any report(s) that is late or materially incomplete or inaccurate as defined in the RAD or as determined by the State. Assessed liquidated damages shall not exceed \$1000 per late or materially incomplete or inaccurate report per calendar day.
SLA-10	X	X	X	X	Staffing A. The Contractor shall maintain key staffing levels specified in the resource calendar of the Staff Management Plan for the life of the Contract. B. The Contractor shall provide written notification to the State of vacancies of the Contractor's Key Staff within two (2) Business Days of receiving notice of the individual's resignation or termination. C. The Contractor shall ensure that qualified replacement staff are approved by the State and hired for any key positions within sixty (60) Calendar Days of notification of termination or resignation of Key Staff.	A. The Contractor shall pay the State \$1,000 per Calendar Day per position that is not staffed starting the day after the agreed upon dates. B. The Contractor shall pay the State a \$1,000 one-time flat fee for not providing written notification of vacancies of the Contractor's Key Staff within two (2) Business Days of receiving notice of the individual's resignation or termination. C. The Contractor shall pay the State \$1,000 per Calendar Day per position beyond the sixty (60) Calendar Days following notice of termination or resignation during which a vacant position has not been adequately filled in accordance with the Contract. Performance will be measured on a monthly basis.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-11	X	X	X	X	Background Screening The Contractor shall complete initial background screenings of its employees and its Subcontractors' employees and provide the State with a report listing all employees and the status of the background check prior to the performance of any services under this Contract. The Contractor shall complete updated background screenings of its employees or its Subcontractors' employees and provide the State with a report listing all employees and the status of the background check at least thirty (30) Calendar Days prior to each Contract Renewal. The Contractor agrees that it shall not permit any of its employees or its Subcontractors' employees to perform services under this Contract until they pass a Background Check as outlined in the Contract. The State may periodically audit compliance of background checks. The Contractor must immediately, upon discovery, notify the State, via email, of each occurrence that the Contractor fails to comply. The Contractor's notice must include, at a minimum, the identified resolution to the issue causing the failure or delay in compliance and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	A. The Contractor shall pay the State \$1,500 per occurrence that the Contractor fails to meet the Service Level Agreement. B. The Contractor shall pay the State \$500 for each Calendar Day that the Contractor fails to meet the associated notification.
SLA-12	X	X	X	X	Training Material The Contractor shall provide the State a training course outline for review and acceptance at least thirty (30) calendar days prior to the beginning of scheduled training. The Contractor shall submit all training packages to the State for review and acceptance at least twenty-one (21) calendar days prior to the beginning of scheduled training. The Contractor shall host the materials on a site accessible by properly authenticated users.	The Contractor shall pay the State \$500 per Calendar Day that the Contractor fails to meet this SLR.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-13	X	X	X	X	HIPAA Compliance Upon Contract Execution, the Contactor shall achieve and maintain compliance with the requirements of the State's HIPAA Privacy and Security Rules and Business Associate Agreement (BAA), both as amended from time to time. The Contractor must notify the State via email immediately upon discovery of failure to maintain HIPAA compliance and of any HIPAA-related data breaches. The Contractor's notice must include, at a minimum, the identified resolution to the issue causing the failure or delay in compliance and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	The Contractor shall pay the State all required damages and fees in accordance with the Contract and BAA for each Calendar Day that the Contractor fails to meet this Service Level Agreement. The Contractor shall pay the State \$500 for each Calendar Day that the Contractor fails to meet the associated notification and resolution standards.
SLA-14	X			X	Full & Incremental System Backup For the life of the Contract, and at a frequency approved by the State, the Contractor shall provide full and incremental backups of the system of all current, historical, and archived data, tables, and files in an off-site location, located within the United States, to ensure that if a Contractor-provided device, Solution, or server fails, operations shall not be affected. The Contractor shall ensure that State data is encrypted where stored using NIST-approved encryption protocols and standards. The Contractor must notify the State via email immediately upon discovery of any missed or failed system backup. The Contractor's notice must include, at a minimum, the identified resolution to the issue causing the failure or delay in compliance and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval. Additionally, the Contractor shall provide staff to complete any backlogged work.	A. The Contractor shall pay the State \$10,000 per occurrence that the Contractor fails to meet the Service Level Agreement. B. The Contractor shall pay the State \$1,000 for each Calendar Day that the Contractor fails to meet the associated notification and resolution standards.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-15	X			X	Disaster Recovery & Business Continuity A. The Contractor agrees to maintain a Recovery Time Objective (RTO) of twenty-four (24) hours for restoring normal operations in the aftermath of an incident or disaster. The Contractor will implement appropriate backup and recovery mechanisms to ensure data restoration with a Recovery Point Objective (RPO) of twelve (12) hours. RPO is defined as the maximum tolerable data loss in the event of a disruption or failure. B. The Contractor must notify the State via email immediately upon discovery and no later than twenty-four (24) hours of discovery of failure to comply. The Contractor's notice must include, at a minimum, the identified resolution to the issue causing the failure or delay in compliance and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	A. The Contractor shall pay the State \$2,500 per Calendar Day, after twenty-four (24) hours, if full primary system and service is not restored. The Contractor will pay \$2,500 if the Recovery Point Objective (RPO) is not met. B. The Contractor shall pay the State \$1,000 for each instance in which the Contractor fails to meet the associated notification and resolution standards.
SLA-16	X			X	Business Continuity and Disaster Recovery Plan ("Plan") & Annual Simulation Within thirty (30) Calendar Days of the Effective Date of the Contract, the Contractor shall provide the State with an electronic copy of its initial Business Continuity and Disaster Recovery Plan. The Contractor shall submit an updated Plan thirty (30) Calendar Days prior to Go-Live and then on a yearly basis thereafter on a date approved in writing by the State. In accordance with the State-approved schedule, the Contractor shall perform an annual Disaster Recovery and Business Continuity simulation, per State requirements, and review the disaster recovery back-up site, procedures for all off-site storage, and validation of security procedures. The Contractor shall provide a written report of the Annual Disaster Recovery Exercise Reports findings to the State within fifteen (15) Calendar Days of the test being conducted.	The Contractor shall pay the State \$1,000 per Calendar Day beyond the due date for each late plan or report.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-17	X	X	X	X	Plan of Action and Milestones (POA&M) The Contractor shall respond with a written POA&M and timeframes for resolution for issues of contractual non-compliance as it relates to the independent financial and security assessment reports or any other identified security-related vulnerabilities within five (5) Business Days, or other timeframe agreed upon by the State, of identification of non-compliance from the State in writing. To be acceptable, a POA&M must include: (1) a list of identified security control/sub-control non-compliance gaps and the Severity Level of the identified gaps; and (2) recommended remediation activities or steps required for the Contractor to remediate the compliance gaps which includes expected finding remediation dates.	The Contractor shall pay the State \$500 each Business Day that the POA&M is late. If the POA&M is unacceptable and not corrected within five (5) Business Days of written notification by the State to the Contractor outlining reasons the plan is considered unacceptable, the Contractor shall pay the State \$500 each Business Day until an acceptable POA&M is delivered. Any time the POA&M is under review by the State will not be included in the assessment of liquidated damages.
SLA-18	X	X	X	X	Annual Independent Assessment of Organization's Financial Controls The Contractor shall use a State-approved independent third-party auditor to complete an Annual Independent Assessment of the Organization's Financial Controls that meets all standards and requirements of the most current version of the American Institute of Certified Public Accountants ("AICPA") Statement on Standards for Attestation Engagements (currently a SOC 1, TYPE II Financial Controls Assessment). A. The Independent Service Auditor's Report (i.e., the Financial SOC 1, Type II Report) must be submitted to the State no later than sixty (60) Calendar Days after June 30 or on an alternate date approved in writing by the State. B. Within sixty (60) Calendar Days of receipt of the audit, the Contractor shall respond to the audit findings and recommendations as they relate to the State and shall submit an acceptable proposed Corrective Action Plan (CAP) to the State where required. The Contractor shall implement the CAP within thirty (30) Calendar Days of its approval by the State or as specified in the State's approval.	A. The Contractor shall pay the State \$1,000 per Calendar Day for each Calendar Day that the Independent Service Auditor's Report is late. B. The Contractor shall pay the State \$1,000 per Calendar Day for each Calendar Day that the CAP is late. Performance will be monitored annually, and compliance will be assessed at a frequency determined by the State.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-19		X	X		Annual Independent Security Assessment of the Service Organization's National Institute of Standards and Technology ("NIST") Security Controls and Standards The Contractor shall utilize an independent third-party assessor to complete an Annual Independent Security Assessment of the Service Organization's applied controls that meet all standards and requirements of the most current version of the NIST Special Publication SP800-53 Moderate-Impact-Baseline Security Controls/ Sub controls having a Data Security Categorization Risk Level of "Moderate Risk" as detailed in the NIST/FIPS 199 Federal Data Security Categorization Standard. A. The Independent Security Assessor's Report must be submitted to the State no later than sixty (60) Calendar Days after June 30 or by an alternate date approved in writing by the State. The Contractor must use a State-approved assessor firm. B. Within thirty (30) Calendar Days of receipt of the assessment, the Contractor shall respond to the assessment findings and recommendations as they relate to the State and shall submit an acceptable proposed Plan of Action and Milestones (POA&M) Report to the State where required. The Contractor shall implement the POA&M within thirty (30) Calendar Days of its approval by the State or as specified in the State's approval.	A. The Contractor shall pay the State \$1,000 per Calendar Day for each Calendar Day that the Independent Security Assessor's Report is late. B. The Contractor shall pay the State \$1,000 per Calendar Day for each Calendar Day that the POA&M is late. Performance will be monitored annually, and compliance will be assessed at a frequency determined by the State.
SLA-20	X			X	Annual Independent Security Assessment During the Centers for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA) Certification Operational Readiness Review (ORR) Project Phase, as well as on the anniversary date of the Go-Live Date each year of the Contract, the Contractor shall obtain an independent third-party assessment of its implementation of applicable NIST Security Controls and Standards including the encryption of all stored and transmitted State Personally Identifiable Information (PII)/ Protected Health Information (PHI). The annual independent assessment shall meet all standards and requirements of the most current version of NIST Special	A. The Contractor shall pay \$500 for each Calendar Day that the Contractor fails to submit the annual independent third-party assessment described in this performance standard. B. The Contractor shall pay \$1,000.00 for each Calendar Day that the Contractor fails to remediate all identified issues by the dates set forth in the State-approved POA&M.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					Publication SP800-53, Moderate-Impact-Baseline Controls/Sub-controls having a Data Security Categorization Risk Level of “Moderate Risk” as detailed in the NIST/FIPS 199 Federal Data Security Categorization Standard. A. The Contractor shall provide the State with an independent third-party Security Assessment Report (SAR) containing details regarding the criteria and supporting verification artifacts reviewed and/or tests conducted to determine the compliance status of each security control/sub-control. All Controls having a Status of “Not Met” must be detailed in a Plan of Action and Milestones (POA&M) Report detailing the identified Tasks needed to remediate the Control Gaps and the Severity Level of the identified Gaps along with a Planned Remediation Date. B. The Contractor shall remediate all identified issues by the dates set forth in the State-approved POA&M and report the Remediation Status of all POA&M Items at an interval determined by the State. The Contractor agrees to support the State’s internal and external vulnerability and penetration test security engagements and will remediate any identified security vulnerabilities associated with controls for which they are contractually responsible for implementing on behalf of the State.	
SLA-21	X			X	Vulnerability and Penetration Testing A. If applicable, using a State-approved plan, the Contractor must conduct vulnerability and penetration testing by the second (2nd), fifth (5th), eighth (8th), and tenth (10th) month of each year of operation, where day one is the Go-Live Date, and submit the results to the State in a format approved by the State. B. The Contractor shall notify the State thirty (30) Calendar Days prior to the aforementioned due dates (or such other time period approved by the State) of anticipated failure to comply. The Contractor’s written notice must include, at a minimum, the identified resolution to the issue causing the delay and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	A. The Contractor shall pay the State \$5,000 for each Quarterly Vulnerability and Penetration Testing report that fails to be delivered by the last day of each Calendar Year Quarter. B. The Contractor shall pay the State \$500 for each Calendar Day that the Contractor fails to meet the associated notification and resolution requirements of this performance standard.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-22	X			X	System Testing A. If applicable, the Contractor must conduct performance or load testing using a State-approved plan on an annual basis each Calendar year and submit the results in writing to the State in a format approved by the State. The Contractor shall conduct these tests by the anniversary date of the Solution Go-Live Date. The testing must meet all CMS Testing Guidance and Framework requirements. Load Testing should leverage automation tools whenever possible and consider the following factors: • Application server(s) or software • Database server(s) • Network – latency, congestion, etc. • Client-side processing • Load balancing between multiple servers B. The Contractor shall notify the State thirty (30) Calendar Days prior to the aforementioned due dates of anticipated failure to comply. The Contractor's written notice must include, at a minimum, the identified resolution to the issue causing the delay and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	A. The Contractor shall pay the State \$5,000 for each Annual Performance and Load Testing report that fails to be delivered by the anniversary date of the Solution Go-Live Date. B. The Contractor shall pay the State \$500 for each Calendar Day that the Contractor fails to meet the associated notification and resolution requirements of this performance standard.
SLA-23	X			X	CMS Certification The Contractor is responsible for meeting any current, new or modified federal standards, conditions or functional requirements for the operation of the Solution and is responsible for ensuring that the maximum allowable Federal Financial Participation (FFP) is granted. Should the Contractor identify at any time any area in which certification or recertification requirements may not be met, or any reason for which maximum FFP would not be granted, the Contractor shall notify the State of the deficiency, present corrective action plans and, upon approval by the State, correct the deficiency.	The Contractor shall be liable for the difference between the maximum allowable FFP and the amount actually received by the State for the operation of the Solution as required by CMS Certification standards that is attributable to performance or non-performance of the Contractor. These damages will be incurred if Certification is not attained retroactively to Day One (1) of Operations date or if Certification is not attained at all.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					The Contractor is responsible for ensuring CMS Certification approval within six (6) months of system implementation and that CMS grants FFP back to Day One (1) of Operation.	
SLA-24	X			X	CMS MITA Certification Prior to the CMS MITA Certification Operational Readiness Review (ORR) Project Phase and ninety (90) Calendar Days prior to the Production ready application date*, the Contractor shall submit to the State, for review and approval, a completed Information System Security Plan (SSP) based on the most current version of NIST Special Publication 800-53 (Moderate- Impact- Baseline) Federal Computer Security Controls/ Sub-controls which details how the Contractor's technology software Solution and services meet applicable security controls. This includes internally implemented and third-party contracted security controls, services and functions. The SSP must detail all Section criteria specified in the most current version of NIST Special Publication 800-18, Guide for Developing Security Plans Appendix A: Sample Information Security Plan Template. The SSP must be approved by the State prior to the Contractor being allowed access to State Data and to avoid liquidated damages being assessed. The Contractor shall review and update the SSP on an annual basis by the anniversary date of the Go-Live Date and sixty (60) Calendar Days after any significant change to the platform for any and all Contract renewals. *For the purposes of this SLA, the term "Production ready application date" shall mean the date the application has been tested and is ready and able to go live (i.e., able to accept Production ready data, such as PHI data).	The Contractor shall pay \$1,000 for each Calendar Day that the Contractor fails to meet this Service Level Agreement.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-25	X		X	X	Timeliness & Accuracy – Interface Transmittal & File Extracts The Contractor shall transmit all interface files and file extracts identified in the eRFP (as defined by the State's PBM Services Data Exchanges document) and Contract to the appropriate third-party vendor in a timely and accurate manner. Timeliness and frequency shall be defined through the State-approved RAD at the time of implementation and as updated through standard operating procedures mutually agreed upon thereafter.	The Contractor will pay the State \$5,000 per inaccurate, missed, or late transmission plus \$1,000 per Business Day until the file is successfully and accurately delivered. Performance will be measured monthly.
SLA-26	X				Pricing Updates: Quarterly Pricing Updates to the Medicaid Maximum Allowable Cost (MAC) and Select Specialty Pharmacy Rate (SSPR) List The Quarterly Pricing Updates to the MAC and SSPR will be customizable by State staff and shall consist of detailed recommendations from the Contractor before the list is made final by the State. The Contractor shall provide the State with a complete and updated Medicaid pricing list for MAC and SSPR within forty-five (45) Calendar Days after the end of each quarter and correctly reflected in the POS Claims Adjudication system within five (5) Business Days before the start of the following quarter.	The Contractor shall pay the State five percent (5%) of the administrative fees for the first month of the quarter if any part of the standard is not met in full. Performance will be measured monthly.
SLA-27	X				Pricing Updates: Pricing Files Update Turnaround Time The Contractor will perform rate updates to pricing files, as defined by the State*, within one (1) Calendar Day of pricing files' official release from drug Database(s) or pricing file's effective date, whichever comes first. *Pricing files may consist of, but not be limited to, National Average Drug Acquisition Cost (NADAC), Wholesale Acquisition Cost (WAC), and Federal Upper Limits (FUL) files that are utilized in the reimbursement methodology for the State.	The Contractor shall pay the State \$1,000 per Calendar Day per each pricing file that the standard is not met in full. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-28	X				Electronic Claim Processing Time* The Contractor shall process all electronic claims to full adjudication with an average of three (3) seconds or less per claim on a monthly basis. The Contractor will provide written documentation of compliance with this standard within ten (10) Business Days after the end of each month. *Note: The time for the Contractor to process a claim under this performance standard does not include the time for the Pharmacy to transmit the claim, or the time the claim is transferred to or from any third party or switching company. This performance standard only applies to the time the claim spends “in-house” in the Contractor’s system(s).	The Contractor shall pay the State two percent (2%) of the month’s administrative fees for each month in which the Contractor does not meet this standard in full.
SLA-29	X				Accuracy of Electronically Processed Point-of-Sale (i.e., non-paper) Claims For purposes of this standard, accuracy is defined as instances where a claim is processed and paid according to all established Pharmacy Benefit Design (PBD) and Prior Authorization (PA) rules conveyed to the Contractor by the State. *Measured by reviewing a sample, approved by the State, of at least 250 claims processed per month. The Contractor shall ensure a monthly accuracy rate of no less than 99.5% based on the State’s review of at least two hundred fifty (250) claims processed per month. The Contractor will determine and correct the source of any identified errors within a timeframe established by the State.	The Contractor shall pay the State five percent (5%) of the month’s administrative fees for each month in which the standard is not met in full. Performance will be measured monthly.
SLA-30	X				Reimbursement Errors The Contractor guarantees a reimbursement error rate of less than 0.5% of all sample reimbursement payments to State Providers each month.	The Contractor shall pay the State \$10,000 per month that it fails to meet the standard in full. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					For purposes of this performance standard, a reimbursement error is defined as any claims payment error resulting in over or under payment to a Provider based upon the reimbursement methodology and scheduled pricing updates conveyed to the Contractor by the State. The State shall measure reimbursement errors by reviewing a random sample, selected and approved by the State, of at least five hundred (500) claims processed per month.	
SLA-31	X				Timeliness and accuracy of Processing Data Files For purposes of this standard, accuracy is defined as the proprietary Solution accurately uploading files with no error on conversion. The Contractor shall complete: A. A daily Member eligibility file load within seven (7) hours of receipt of the file from the State or its designee B. A monthly full Member eligibility file load within twenty-four (24) hours of receipt from the State or its designee C. A daily Ordering, Prescribing and Referring File load within seven (7) hours of receipt from the State or its designee D. Pharmacy Providers file load within seven (7) hours of receipt from the Agency or its designee. E. A daily Coordination of Benefits (COB) update file load within seven (7) hours of receipt of the file from the Agency or its designee F. A monthly Coordination of Benefits (COB) full file load within twenty-four (24) hours of receipt from the State or its designee G. All other data files required by the State within State established time frames. H. A written report to the State when a file load is discontinued or incomplete within the following time frame: on a Business Day, the Contractor shall notify the State within two (2) hours. On a non-Business Day, no later than 8:00 AM on the next Business Day.	Standards A-F will be reviewed and assessed individually. The Contractor shall pay the State eight percent (8%) of one month's administrative fee for each standard it fails to meet in full. The Contractor shall pay the State \$2,500 each time it fails to meet the standard G in full. The Contractor shall pay the State \$1,000 per event for failing to notify the State when a file load is discontinued or incomplete. The Contractor shall pay the State \$1,500 per Calendar Day until file load is completed and accurate each time it fails standard H in full. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-32	X				Prior Authorization (PA) Request Turnaround Time A. The Contractor will complete all PA initial requests within twenty-four (24) hours of receiving electronic, telephonic, or fax requests one hundred percent (100%) of the time. B. The Contractor will complete all first level appeals within seventy-two (72) hours of receipt one hundred percent (100%) of the time. First level appeal turnaround time does not include time in which a request may have been sent to a State employee for review. Reports will be generated from a call or PA tracking system and must be able to distinguish between time spent in review by the Contractor and time if needed for review by the State.	A. The Contractor shall pay the State \$1,000 per Calendar Day per request which does not comply with standard (A) in full. The Contractor shall pay the State an additional \$2,000 per request per day for any request processing time in excess of forty-eight (48) hours. B. The Contractor shall pay the State \$1,000 per Calendar Day per appeal which does not comply with standard (B) in full. The Contractor shall pay the State an additional \$2,000 per appeal per Calendar Day which is not completed within ninety-six (96) hours. Performance will be measured monthly.
SLA-33	X				Electronic Funds Transfer (EFT) The Contractor shall ensure that payment to Providers by electronic funds transfers (EFTs) shall be available at the Provider's request and shall be made within the seven (7) Calendar Days from the date billed by the Provider one hundred percent (100%) of the time. Each and every EFT payment not made within seven (7) Calendar Days after the date billed by the Provider shall be deemed late.	For each and every late EFT payment, the Contractor shall pay the State \$1,000 per late payment per Calendar Day until payment is successfully made to the Provider.
SLA-34	X				Call Center: Dedicated Member Call Line and Dedicated Prior Authorization (PA) Call Line - Percent of Abandoned Calls (Abandonment Rate) The Contractor guarantees that no more than two percent (2%) of all calls per month per Dedicated call line, as reported by the Contractor's call management software or telecommunications vendor (which is subject to independent verification by the State), will be abandoned.	The Contractor shall pay the State two percent (2%) of one (1) month's administrative fees per month in which the standard is not met in full. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
SLA-35	X				Call Center Average Answer Speed Average answer speed is defined as the time it takes for a live customer service representative to answer the call after that option is selected from the front-end phone tree or an Interactive Voice Response (IVR) menu. The period of time a call is connected to an IVR system shall not be included in the measurement. The Contractor guarantees that, based on a monthly average per call center location, ninety-five percent (95%) of all calls per month shall be answered within thirty (30) seconds or less as documented through telecommunications monitoring reports which are subject to independent verification by the State.	The Contractor shall pay the State two percent (2%) of one (1) month's administrative fees for each month in which the standard is not met.
SLA-36	X				Percent of Calls Answered Accurately by the Contractor's Customer Service (Member and Provider) Call Center Staff The Contractor shall guarantee that the information given by Call Center Staff (Member, Provider, and PAs) will be accurate at least ninety-five percent (95%) of the time each month and shall provide supporting quality assurance documentation thereof. Accuracy shall be measured by monitoring/reviewing a random sample of one hundred fifty (150) calls total consisting of fifty (50) PA calls, fifty (50) Member calls, and fifty (50) Provider calls per month per call center location.	The Contractor shall pay the State one percent (1%) of one (1) month's administrative fees per month in which the standard is not met in full (per call center location). Performance will be monitored monthly, and compliance will be assessed at a frequency determined by the State.
SLA-37	X				System and Equipment Availability and Uptime The PBA Solution (Claims Processing platform, PA platform and the Contractor's related Solution platforms) shall be available 24 hours a day, 7 days a week, excluding State-approved Scheduled Downtime. System availability is measured from the time of the outage to any module of the system. If failure occurs, the Contractor shall provide staff to complete any backlogged work.	The Contractor shall pay the State one percent (1%) of the month's administrative fees for any month in which the average on-line availability of the Contractor's PBA System does not meet the standard in full. The Contractor shall pay the State \$1,000 for each Calendar Day that the Contractor fails to meet the associated notification and resolution standards. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					The Contractor shall ensure that all application functionality and accessibility of the primary PBA Solution, all other secondary/alternative network or support technologies, intermediate processing facilities, and subcontracted supporting platforms in use maintain an uptime of 99.9% performance level per month, excluding planned or Scheduled Downtime for routine maintenance. The Contractor will notify the State, via email, immediately upon discovery of failure to comply with system and equipment availability and uptime requirements that affect any of the platforms necessary to perform as expected. The Contractor's notice must include, at a minimum, the identified resolution to the issue causing the failure or delay in compliance and a revised, detailed timeline. Acceptance of the revised timeline is subject to State approval.	
SLA-38	X				Financial System Errors and Reporting Errors The Contractor shall guarantee the creation and performance of the system follow State specifications included in the State's PBM Services Accounting Interface document. Any and all identified Financial System errors and related reporting errors must be corrected by the Contractor within five (5) Business Days of the identified Financial System error.	The Contractor shall pay the State \$500 per Business Day per error that the Contractor fails to meet the standard in full.
SLA-39		X			Delivery of Drug Monographs The Contractor shall deliver all drug monographs for review of content, as required by the State, to the State at least fifteen (15) Business Days in advance of each quarterly State Advisory Board meeting.	The Contractor shall pay the State \$500 per monograph for each Business Day it is submitted late.
SLA-40		X			Annual Prior Authorization (PA) Criteria Updates On an annual basis, as defined by the State, the Contractor will review, update, and provide the State with finalized PA criteria for those that were not reviewed by the State Advisory Board during that fiscal year.	The Contractor shall pay the State \$500 per Prior Authorization (PA) criteria update for each Business Day that it fails to meet the standard in full.



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SLA-41		X			State Advisory Board Meeting Minutes The Contractor shall compose the State Advisory Board meeting minutes on behalf of the State and shall provide the finalized document to the State for review and approval within five (5) Business Days after each State Advisory Board meeting.	The Contractor shall pay the State \$500 for each Business Day that it fails to meet the standard in full.
SLA-42		X			RetroDUR Interventions The Contractor shall report quarterly, or at another frequency as determined by the State, the outcomes of the Retrospective Drug Utilization Review (RetroDUR) interventions. The Contractor's system shall track the impact of DUR interventions by comparing specified data elements pre- and post-intervention. At the State's request, the data elements tracked will vary according to the focus of study and/or type of intervention employed. A. The Contractor shall provide an executive summary in slide presentation format ten (10) Business Days prior to each State Advisory Board meeting. B. The Contractor shall provide a written report within fifteen (15) Calendar Days after the end of each State Advisory Board meeting.	The Contractor shall pay the State \$5,000 per assessment period for failing to meet either deliverable in full.
SLA-43		X			CMS Drug Utilization Review Report The Contractor shall prepare and submit the annual Drug Utilization Review report to the State at least thirty (30) Calendar Days prior to the deadline for submission to CMS and, upon approval by the State, shall submit the annual report to CMS no later than CMS's required deadline.	The Contractor shall pay the State \$1,000 for each Calendar Day that it fails to meet the standard in full.
SLA-44		X			Therapeutic Class Review (TCR) The Contractor shall deliver to the State all clinical therapeutic classes to be reviewed at least sixty (60) Calendar Days in advance of each TCR to be provided quarterly, or at another frequency as determined by the State. The review shall be provided by therapeutic category for clinical review and updates.	The Contractor shall pay the State \$500 per Therapeutic Class Review for each Business Day that it fails to meet the standard in full.



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SLA-45		X			Delivery of Web-based Prior Authorization (PA) Criteria Summary Updates On a quarterly basis, the Contractor will review, update, and provide the State with finalized web-based criteria for web posting for each therapeutic class within ten (10) Business Days before the start of the next quarter.	The Contractor shall pay the State \$500 per Therapeutic Class for each Business Day that it fails to meet the standard in full.
SLA-46			X		Pharmacy Providers Audits The Contractor shall audit a minimum of twenty-five percent (25%) of the State's Pharmacy Network Providers during each year of the Contract. The audits must include the top ten percent (10%) of Participating Pharmacies by claim volume. On-Site (Field) Audits shall comprise a minimum of five percent (5%) of audits. Desk Audits shall comprise a minimum of five percent (5%) of audits. Of the desk and on-site audits, fifty percent (50%) must be completed during the first six (6) months of the State's fiscal year and the Contractor will provide a report to the Agency no later than ten (10) Business Days before the start of the next quarter.	The Contractor shall pay the State five percent (5%) of the quarterly auditing services payment plus \$1,000 per Calendar Day that the standard is not met in full.
SLA-47				X	System Availability The Contractor's system must be available twenty-four (24) hours per day (Monday through Friday) excluding State holidays, except for Scheduled Downtime at mutually agreed upon times. System maintenance and Downtime must be scheduled for: (1) Saturdays and Sundays (12:00 a.m. Saturday through 11:59 p.m. Sunday); (2) other non-business (State holiday) days; or (3) if scheduled on Monday through Friday, during such hours as approved in writing by the State Project Leader or their designee. At least thirty (30) Calendar Days prior to Go-Live, the Contractor must submit to the State a written schedule of Downtimes for the year for the State's review and approval. No later than thirty (30) Calendar Days prior to the start of each renewal period, the Contractor must submit a new written schedule of Downtimes to the State for review and approval.	The Contractor shall pay the State \$200 per hour for each clock hour the system is experiencing Unscheduled Downtime in excess of forty-eight (48) total hours per month. Performance will be measured monthly.



ID	PBA	CM	FWA	RS	Performance Standard	Liquidated Damages
					The Contractor's system shall not have any Unscheduled Downtime which exceeds forty-eight (48) total hours.	
SLA-48				X	Receipt and Processing of Data A. The Contractor shall notify the State in writing regarding the following: (1) the date that the rebate drug file, with Unit Rebate Amounts (URAs), is posted to the CMS website; (2) the date paid claims data is received from the States's PBA, its Fiscal Agent, each of the CMOs, and the CMO PBM(s) (if applicable); and, (3) the mailing date (postmark) of the invoices. The Contractor shall provide this information to the State quarterly, after invoice processing is completed, in the form of a status report. The status report shall be due within seven (7) Calendar Days of invoice mailing. B. The Contractor shall send the State all information posted to the CMS website regarding updates to the drug file and Manufacturers listing within one (1) Business Day of posting.	The Contractor shall pay the State \$500 per Calendar Day for each Calendar Day that either standard A or B is not met.



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SLA-49				X	State Advisory Board Support The Contractor must provide State Advisory Board support as required by the eRFP and Contract. The Contractor must: A. Provide the State with advance financial modeling at least thirty (30) Calendar Days prior to each State Advisory Board meeting or an alternate timeframe approved in writing by the State. B. Provide the State with an adjusted financial modeling report (based on State Advisory Board recommendations) within ten (10) Business Days after each State Advisory Board meeting. C. Provide the final cost sheets within thirty (30) Calendar Days of each State Advisory Board meeting.	The Contractor shall pay the State the amounts listed below per Calendar Day for each portion of this standard that is not met: A. \$5,000 B. \$5,000 C. \$1,000
SLA-50				X	Accuracy of Exclusion of 340B Providers' Claims After processing current quarterly invoices, the Contractor shall meet a one hundred percent (100%) accuracy threshold regarding download, identification and exclusion of all exempt Providers that submitted claims through 340B Covered Entities. Within fifteen (15) Calendar Days from the date the Health Resource and Services Administration (HRSA) Quarterly Medicaid Exclusion File is available on the HRSA website, the Contractor shall provide the State with a quarterly report of 340B Providers identified on the 340B exclusion list, provide metrics on the claims excluded from billing, and provide one hundred percent (100%) accuracy of 340B Providers' claims download.	A. The Contractor shall pay the State two percent (2%) of the total administrative fees for the quarter for each quarter in which the one hundred percent (100%) accuracy rate is not met. B. The Contractor shall pay the State two percent (2%) of the total administrative fees for the quarter for each quarter in which the exclusion list is late.



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SLA-51				X	Timeliness & Accuracy - Invoices In accordance with the eRFP and Contract requirements. The Contractor shall calculate and create (collectively “process”) and mail all Fee-for-Service (FFS) and Care Management Organization (CMO) Federal Rebate invoices within sixty (60) Calendar Days of the posting of the CMS quarterly rebate data file. The Contractor shall process and mail all Supplemental Rebate invoices within seventy-five (75) Calendar Days of the end of each quarter.	The Contractor shall pay the State \$1,000.00 per Calendar Day for each Calendar Day that it fails to meet each standard.
SLA-52				X	Rebate Disputes The Contractor shall resolve all outstanding rebate disputes in a manner consistent with the CMS Drug Rebate Dispute Resolution Program process and implement a plan of action for tracking outcomes associated with each outstanding dispute. A. The Contractor shall submit a plan for resolving existing disputes for each pharmaceutical company (Labeler) within thirty (30) Calendar Days after Go-Live. B. No later than the first Business Day of each month, or as otherwise specified by the State, the Contractor shall submit to the State a status report on all outstanding disputes which includes a log of transactions and communications with disputing Labelers.	A. The Contractor shall pay the State \$1,000 per Calendar Day for each Calendar Day that the initial plan or subsequent status reports are late or materially incomplete as determined by the State. B. The Contractor shall pay \$10,000 for any instance of failure to follow the CMS Rebate Program Dispute Resolution Process as defined in the RAD.
SLA-53				X	Cash Receipts A. The Contractor shall process cash receipts within thirty (30) Calendar Days from the date of receipt. B. The Contractor shall provide a report, to the State's finance team, of all cash receipts each month by a monthly deadline or at a frequency determined by the State.	A. The Contractor shall pay the State \$100 per Calendar Day per cash receipt processed past thirty (30) Calendar days. B. The Contractor shall pay the State \$1,000 per Calendar Day for each day after each report of cash receipts is due.