

PERFORMANCE MEASUREMENTS/STANDARDS /PERFORMANCE GUARANTEES

PERFORMANCE MEASUREMENT†	STANDARD	PERFORMANCE GUARANTEE/ LIQUIDATED DAMAGE
General	Standard	Guarantee
1. Hold quarterly utilization and performance meetings	ACS PBM will hold on-site quarterly utilization and performance meetings with MQD within forty-five (45) calendar days after the end of the previous quarter. Results of these performance measurements will be discussed along with other issues that have arisen.	ACS PBM will: 1. Pay MQD \$10,000 per quarter if the standard is not met. 2. Report compliance and pay quarterly. Cancellations by MQD or written notification from MQD of mutual agreement to move or cancel such meeting will not result in a fee.
2. Contractor staff availability during the Hawaii legislative session	ACS PBM identified staff must respond within fifteen (15) minutes of receiving page or call from DHS during the HI legislative session.	ACS PBM will: 1. Pay MQD \$2,500 per occurrence. 2. Report and pay monthly.
SMAC Management	Standard	Guarantee
3. Provide at least monthly updates to the Medicaid SMAC list	ACS PBM will provide MQD with complete updated Medicaid SMAC List at least on a monthly basis.	ACS PBM will: 1. Pay to MQD the amount of \$2,500 per month if the standard is not met. 2. Report compliance and pay quarterly.

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4. SMAC list audit results documentation	Monthly by the 10 th business day of the month ACS PBM will submit the results of an internal audit of the accuracy of SMAC list and the appropriate application of those MAC lists to claims processed during the previous month. Contractor will report all overpayments and recoveries.	ACS PBM will: 1. Pay \$2,500 per month fee if the standard is not met. 2. Report compliance and pay quarterly. Overpayments not taken will be deducted quarterly.
5. Timely resolution to MAC file errors	ACS PBM will research and correct all errors to the MAC file within 48 hours of identifying the errors or being notified in writing by MQD.	ACS PBM will: 1. Pay \$2,500 per quarter if the standard is not met. 2. Report compliance and pay quarterly.
Network Pharmacy POS Program		
6. System downtime* of adjudication and related system platforms <i>*For purposes of this performance guarantee, downtime is any time a point-of-sale (POS) submitted claim by a provider is transmitted to ACS PBM and cannot be electronically adjudicated by the system and related system platforms for any reason other than scheduled maintenance downtime for which MQD has received prior notice in accordance with the terms of this contract.</i>	Each month, the compliance percentage the Contractor provided in the original RFP must be met.	ACS PBM will: 1. Pay MQD \$12,500 for each percentage point or fraction thereof for which the monthly average of on-line availability of ACS PBM's adjudication and related system platforms does not meet the standard. 2. Report compliance and pay quarterly.

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<p>7. System downtime* of adjudication and related system platforms reporting</p> <p><i>*For purposes of this performance guarantee, downtime is any time a point-of-sale (POS) submitted claim by a provider is transmitted to ACS PBM and cannot be electronically adjudicated by the system and related system platforms for any reason other than scheduled maintenance downtime for which MQD has received prior notice in accordance with the terms of this contract.</i></p>	<p>Each month, ACS PBM will provide a report to MQD no later than the 10th business day of the following month clearly documenting adjudication and related systems on-line availability.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 per month if the systems availability report is not received by the 10th day of the month following systems activity. 2. Report compliance and pay quarterly.
<p>8. Notification of scheduled system downtime* of adjudication and related system platforms notification</p> <p><i>*For purposes of this performance guarantee, downtime is any time a point-of-sale (POS) submitted claim by a provider is transmitted to ACS PBM and cannot be electronically adjudicated by the system and related system platforms for any reason other than scheduled maintenance downtime for which MQD has received prior notice in accordance with the terms of this contract.</i></p>	<p>ACS PBM will notify MQD at least 72 hours prior to all scheduled downtimes that occur outside of the agreed upon scheduled maintenance window that affect all platforms necessary to process claims, including but not limited to adjudication, eligibility, pharmacy files, drug files, Third Party Liability (TPL) files and Prior Authorization (PA) files.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 per occurrence in which the standard was not met. 2. Report compliance and pay quarterly.

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<p>9. Notification of unscheduled system downtime* of adjudication and related system platforms notification</p> <p><i>*For purposes of this performance guarantee, downtime is any time a point-of-sale (POS) submitted claim by a provider is transmitted to the CONTRACTOR and cannot be electronically adjudicated by the Contractor's system and related system platforms for any reason other than scheduled maintenance downtime for which MQD has received prior notice in accordance with the terms of this contract.</i></p>	<p>ACS PBM will notify MQD by email, within 15 minutes of the occurrence each time any of the adjudication or related system platforms are down or unavailable for the claims adjudication process or to Contractor's internal staff. At a minimum, the notification shall contain initial downtime, recovery time, an explanation for the occurrence and a corrective action plan to prevent future occurrences from happening.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 for each occurrence in which the standard is not met. 2. Report compliance and pay monthly.
<p>10. Availability of support and ancillary related system platforms</p>	<p>ACS PBM's ancillary support systems including but not limited to those utilized by customer support and prior authorization services, will be available on-line at least 99.5% of each month.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$12,500 for each percentage or fraction thereof for which the monthly average of on-line availability of ancillary support programs is below 99.5%. 2. Report compliance and pay monthly.

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<p>11. Electronic claim processing time*</p> <p><i>*Note: The time for ACS PBM to process the claim under this guarantee 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 that is not part of the ACS PBM.</i></p>	<p>ACS PBM guarantees that it will process electronic claims to full adjudication within the compliance standard of seconds or less per month as stated in the proposal.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$20,000 for each second or fraction thereof that the ACS PBM does not meet this standard. 2. Provide written documentation of compliance by the 10th business day of the month following the end of each month. 3. Pay monthly.
Customer Service: MQD Call Center Lines	Standard	Guarantee
<p>12. Timely response to telephonic inquiries from providers.</p> <p><i>*Includes email.</i></p>	<p>ACS PBM will return 100% of urgent provider inquiries within one (1) business day of receipt. Non-urgent requests will be responded to within 3 business days.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$500 for each business day or portion thereof if the standard is not met. 2. Report compliance and pay quarterly.
<p>13. Timely response to written inquiries from providers</p> <p><i>*This excludes written prior authorization requests or appeals.</i></p>	<p>ACS PBM will respond to written inquiries received from providers within five (5) and ten (10) business days of receipt based on the compliance standard percentage as stated in the proposal.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$500 for each business day or portion thereof if the standard is not met. 2. Report compliance and pay quarterly.

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<p>14. Call Center Average Answer Speed*</p> <p><i>*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 IVR menu. The period of time a call is connected to an IVR system should not be included in the measurement.</i></p>	<p>ACS PBM will meet the compliance standards for percentage of calls answered as stated in the proposal.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 for each percentage point or fraction thereof that falls below the standard. 2. Report compliance and pay monthly.
<p>15. Percent of Abandoned Calls*</p> <p><i>*For purposes of this performance guarantee, abandoned calls are defined as calls that have been connected for a minimum of 10 seconds and not answered by a live person before the call is disconnected.</i></p>	<p>ACS PBM will meet the compliance standard for abandoned calls as stated in the proposal. ACS PBM's call management software or telecommunications vendor each of which is subject to independent verification by MQD.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 per percentage point or portion thereof above the standard. 2. Report compliance and pay monthly.
<p>16. Percent of Calls Blocked*</p> <p><i>*A blocked call is defined as any call made by the caller but not allowed into the ACS PBM's phone system.</i></p>	<p>ACS PBM guarantees a monthly blockage rate as stated in the proposal as confirmed by the submission of a monthly report, from telecommunications contractor to MQD by the 10th business day of the month following the month of activity. Each such report is subject to independent verification by MQD.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$5,000 per percentage point or fraction thereof for which the standard is not met. 2. Report compliance and pay monthly.

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17. First Call Resolution	ACS PBM will resolve 90% of all provider inquiries upon first contact with the call center staff.	ACS PBM will: 1. Pay MQD \$250 per percentage point or portion there of below this standard. 2. Report and pay monthly.
18. Percent of Written and Telephonic Inquiries Responded to Within 3 Business Days* <i>*Includes email.</i>	ACS PBM will respond to 100% of MQD inquiries within three (3) business days. All Urgent E-mail and telephonic inquiries from MQD will be responded to in 1 business day.	ACS PBM will: 1. Pay MQD \$500 per percentage point or portion thereof below the standard. 2. Report compliance and pay monthly.
19. Percent of Calls Answered Accurately by ACS PBM's Customer Service Call Center Staff	ACS PBM will guarantee and provide quality assurance documentation that the information given by the call center staff for MQD will be accurate 90% of the time each month as measured by a sample size of at least 12 random calls per month per Customer Service Representative assigned to the MQD.	ACS PBM will: 1. Pay \$2,500 per month for which the standard is not met. 2. Report compliance and pay monthly.
20. Hold Time* for Escalated Calls** <i>*For purposes of this performance guarantee, hold time is defined as the time span between a call being placed in the supervisor or pharmacist call queue and the time the respective live supervisor or pharmacist answers.</i>	ACS PBM guarantees a 45 second or less hold time to connect a provider to a pharmacist or supervisor.	ACS PBM will: 1. Pay MQD \$1,000 per call in which the standard was not met. 2. Report compliance and pay

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<p><i>**Escalated calls are defined as calls in which the caller requests to speak to a supervisor or a pharmacist.</i></p>		monthly.
Claims Processing Accuracy	Standard	Guarantee
<p>21. Accuracy of Claims Processed Electronically With No Errors*</p> <p><i>*Measured by a random sample of at least 1000 claims processed per month.</i></p>	ACS PBM demonstrates the error rate stated in the proposal is met.	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$5,000 per percentage point or fraction thereof that exceeds the error rate. 2. Report compliance and pay monthly.

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<p>22. Reimbursement Errors*</p> <p><i>*For purposes of this performance guarantee, reimbursement error is defined as any claims payment error resulting in over or under payment to a provider.</i></p>	<p>ACS PBM guarantees less than 99.95% of all reimbursement payments to MQD providers each month are inaccurate.</p> <p>Adjustments including recoupment of overpayments must be corrected within 30 days.</p> <p>MQD will not pay for claims processing charges for any adjustments done – regardless of the reason, the type, form, etc. ACS PBM must provide a methodology that it will use to identify adjustment claims from regular claims.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$10,000 plus 10% of the sum of the absolute value of all under and overpayments identified* if this standard is not met. 2. Pay MQD \$3,500 per adjustment not corrected within 30 days. 3. Pay MQD \$250 for each administrative fee for an adjustment charged for any reason, circumstance etc. 4. Report compliance and pay monthly. <p><i>*Note: Overpayments and underpayments cannot offset each other in this measurement.</i></p>

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Paper and Batch Claims Processing	Standard	Guarantee
<p>23. Turnaround Time* for “Clean” Claims** Processed Report</p> <p><i>*For purposes of this performance guarantee, turnaround time is measured beginning the day the clean claim is received by ACS PBM to the day the claim is processed.</i></p> <p><i>**For purposes of this performance guarantee, clean claims shall be defined by MQD as any claim containing the minimum necessary fields to complete processing of that claim.</i></p>	<p>ACS PBM will submit monthly reports to MQD by the 10th business day of the month following the month of activity.</p> <p>The report will contain, at a minimum, the following data elements:</p> <ul style="list-style-type: none"> • Ending date of the reporting month; • Beginning claims inventory; • Number of claims received for the reporting month; • Number of POS clean claims paid; • Number of POS rejected claims; • Number of POS claims requiring additional review (non-clean claims); • Number of hard copy claims received; • Number of hard copy claims pended (not data entered, awaiting correction, awaiting EOMBs, etc.); • Number of hard copy claims paid; • Number of hard copy claims 	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$500 per month in which the report is not provided. 2. Report compliance and pay monthly.

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	denied; <ul style="list-style-type: none"> • Number of batched claims received; • Number of batches returned and reason; • Ending inventory; • Average turnaround time (TAT) for the month; • Current processing date; • Number of claims 30 days old or older; • Age of oldest claim. 	
24. Turnaround Time* for MQD “Clean” Claims** Processed <i>*For purposes of this performance guarantee, turnaround time is measured beginning the day the clean claim is received by ACS PBM to the day the claim is processed.</i> <i>**For purposes of this performance guarantee, clean claims shall be defined by MQD as any claim containing the minimum necessary fields to complete processing of that claim.</i>	ACS PBM guarantees a monthly average turnaround time as stated in the proposal.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$2,500 for each percentage or fraction there of that exceeds the standard. 2. Report compliance and pay monthly.

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25. Claim Turnaround Time For All Paper and Batch Claims (Total Of Clean And Non-clean)	ACS PBM will process paper and batch claims to the point of a paid or denied status by the average time stated in the proposal.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$2,500 each month the standard is not met. 2. Measure, report and pay monthly.
26. Accuracy of Paper and Batch Claims Processed With No Errors* <i>*Measured by a random sample of at least 10% of the paper claims processed per month..</i>	ACS PBM will demonstrate the error stated in the proposal is met.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$2,500 per percentage point or fraction thereof that exceeds the stated error rate. 2. Report compliance and pay monthly.
Reporting and Account Management	Standard	Guarantee
27. Clinical Program Reports/Outcomes/Recommendations <i>Includes Sentinel report, Lock in program, recipient medication verification letters, DUE interventions, Physician Report Cards, clinical newsletters, etc.</i>	ACS PBM shall provide clinical program results as designated – to MQD, DUR Board, etc., including outcomes and recommendations. Newsletters must be approved by MQD prior to being issued.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$1,200 per instance a report is not provided with outcomes and recommendations as designated. 2. Pay MQD \$3,000 per report/newsletter/ intervention not provided. 3. Pay MQD \$1,000 if a report/newsletter/ intervention is provided late

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		without notifying MQD first and providing a new due date.
28. Timeliness & accuracy of report production	<p>ACS PBM will provide electronic and/or paper reports as requested or as designated – quarterly, monthly – on the report delivery calendar.</p> <p>Ad hoc reports must be provided in the format designated by MQD.</p> <p>If delayed, ACS PBM must notify MQD and provide an alternate due date.</p> <p>Designated reports must be reviewed with MQD to explain specific outcomes and recommendations.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$1,000 for each reporting period in which this standard is not met. 2. Pay MQD \$500 each time a report is returned for incorrect formatting. 3. Pay MQD \$750 each time a report is provided with inaccurate information such as totals not matching. 4. Pay MQD \$150 each time a report is late without prior notification of the delay. 5. Pay MQD \$1,000 each time a designated report is not reviewed with MQD with outcomes and recommendations provided. 6. Report compliance and pay quarterly.

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29. Prior Authorization Request Turnaround Time	<p>ACS PBM will turnaround all prior authorization within 24 hours of the receipt of the request 100% of the time.</p> <p>Pended PAs over 30 days must be changed to Denied status weekly.</p> <p>PA Pend and Denial letters must be issued weekly.</p> <p>ACS PBM must identify the methodology it uses to identify PDL PAs from non-PDL PAs and adjust any charges it submitted for non-PDL PAs.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$12,500 for each percentage point or fraction thereof below the standard. 2. Pay MQD \$1,000 each time the Pended PAs are not converted weekly. 3. Pay MQD \$1,500 per letter not issued weekly. 4. Pay \$300 for each non-PDL PA charged to MQD in error. 5. Report compliance and pay monthly.
30. Prior Authorization Accuracy	<p>PAs must be entered correctly 99.5% of the time. This includes quantity limits and time limits.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$1,000 per PA not entered correctly. 2. Report compliance and pay quarterly.
31. Website Updates	<p>ACS PBM's website housing information regarding MQD will be updated as requested by MQD or within 72 hours of discovery of misinformation on the website.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$500 per 24-hour period or fraction thereof that the standard is not met. 2. Report compliance monthly and pay quarterly.

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32. Website Availability	ACS PBM’s website housing information regarding MQD will be available at least 90% of the time each month.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$500 for each percentage point below the standard. 2. Report compliance and pay quarterly.
33. MQD PDL Posting	ACS PBM must post the MQD’s preferred drug list to the website provided for MQD promptly after each P&T Committee meeting and DHS makes the final decisions. Also, the minutes for the P&T Committee must be posted.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$1,000 if the standard is not met. 2. Monitor and pay quarterly.
Quality Assurance	Standard	Guarantee
34. Corrective Action Plans	ACS PBM shall respond with a written corrective action plan and timeframes for resolution no later than five (5) business days after receipt of notification of non-compliance with contractual obligations, unless otherwise agreed upon by MQD in writing. This will include payment to MQD for claims paid incorrectly due to errors by the ACS PBM’s staff or system.	ACS PBM will: <ol style="list-style-type: none"> 1. Pay MQD \$2,500 each business day or any part thereof that the corrective action plan is late. If the corrective action plan is unacceptable* and not corrected within five (5) business days of written notification by MQD to ACS PBM outlining reasons the plan is considered unacceptable. 2. Pay MQD \$500 each business day or portion thereof until an

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		<p>acceptable corrective action plan is delivered.</p> <p>3. Payments will be made quarterly.</p> <p><i>Note: A Corrective Action Plan is considered unacceptable if one of the following occurs:</i></p> <p>(1) <i>The Corrective Action Plan is not in the format requested by MQD;</i></p> <p>(2) <i>The Corrective Action Plan does not contain the information requested by MQD;</i></p> <p>(3) <i>The Corrective Action Plan contains incorrect information; or</i></p> <p>(4) <i>The Corrective Action Plan does not sufficiently address the issue.</i></p>
Timely Payment to Providers	Standard	Guarantee
35. Electronic Funds Transfer	<p>ACS PBM guarantees that electronic funds transfers (EFTs) will be made within the agreed upon seven (7) calendar day check cycle 100% of the time each week.</p> <p>In the event of a missed EFT payment, ACS PBM will send a replacement</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$2,500 per calendar day missed or late EFT. 2. Additionally, if ACS PBM does not send a replacement EFT within 72 hours of the missed EFT, ACS PBM will pay an

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	EFT within 72 hours of the missed payment.	additional \$5,000 per occurrence. 3. Report compliance and pay monthly.
Drug Rebate Processing	Standard	Guarantee
36. Invoices Issued Timely	Invoices for federal rebates will be issued by the CMS quarterly deadline.	ACS PBM will: 1. Pay MQD \$500 per business day or portion thereof that the invoices are late. 2. Report compliance and pay quarterly.
37. Interest Calculated on Outstanding Balances	Interest must be calculated on outstanding balances for federal rebates. CMS requirements must be met. Accuracy rate of 99% must be maintained.	ACS PBM will: 1. Pay MQD \$1,000 for each percentage point or fraction there of below the standard. 2. Report compliance and pay quarterly.
38. Outstanding Rebate Dispute Follow-up	Quarterly report must show how outstanding disputes have been addressed timely – notice letters sent, manufacturer contacted by telephone, CMS notified of delinquent payments if no response to notice letters, etc. Outstanding disputes (some go back to 3Q01) must be worked on regularly	ACS PBM will: 1. Pay MQD \$500 per outstanding dispute per quarter that has not been addressed timely. 2. Pay MQD \$2,500 per quarter that outstanding dispute percentages are not reduced. 3. Pay \$1,000 per instance system

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	<p>and results documented quarterly including the percentage of disputes that are over 1 year, 2 years, 3 years, 4 years, etc. The outstanding percentages must be reduced each quarter or ACS PBM has shown everything has been done and is awaiting direction from CMS.</p> <p>If the manufacturer prevails in the dispute due to incorrect invoicing, ACS PBM must research the claims that were overpaid and make system corrections so future overpayments will not occur.</p> <p>Also, ACS PBM must submit a report on the recoupments from the providers. The recoupment is an adjustment so no claims processing charges will be paid by the State.</p>	<p>changes are not recommended to prevent future overpayments.</p> <p>4. Pay \$1,000 per instance the recoupment report is not provided quarterly.</p> <p>5. Monitor compliance and pay quarterly.</p>
<p>39. Error Rate of Adjusted Claims</p> <p><i>*Includes all adjusted claims for whatever reason.</i></p>	<p>ACS PBM to show the accuracy rate of adjusted claim processing is at least 99%. A monthly report is required to document at least 500 claims or 90% (if less than 500 done) were verified and the results.</p>	<p>ACS PBM will:</p> <p>1. Pay MQD \$1,000 per percentage point or fraction thereof below the standard.</p> <p>2. Monitor and pay monthly.</p>

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40. Claims Adjusted After Disputes Resolved	<p>Claims must be corrected after rebate disputes are resolved. These must be corrected within 1 month of the dispute being resolved.</p> <p>If no recoupment is made by ACS PBM 1 month after the dispute settlement, ACS PBM must report the unrecouped amount to the State and this will be withheld from ACS PBM's payment.</p>	<p>ACS PBM will:</p> <ol style="list-style-type: none"> 1. Pay MQD \$1,000 per claim not adjusted within 1 month. 2. Report compliance and pay monthly.

† Achievement of Performance Guarantees is subject to independent verification by MQD.