



**Solicitation Information
May 13, 2014**

Addendum #1

RFP # 7548675

TITLE: PHARMACY SERVICES – RI DEPARTMENT OF CORRECTIONS

Submission Deadline: Tuesday, May 27, 2014 at 2:00 PM (Eastern Time)

PLEASE NOTE THAT THE SUBMISSION DEADLINE HAS BEEN EXTENDED TO MAY 27, 2014 AT 2:00 PM (ET)

ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES. NO FURTHER QUESTIONS WILL BE ANSWERED.

**Gail Walsh
State of Rhode Island
Division of Purchases**

Vendor A

1. Do you house any federal inmates, if so, how many?

Yes, occasionally.

2. What is the average daily population (ADP) of each location?

Average census in March 2014 was:

High Security	96
Minimum	412
Womens	161
Maximum	444
Medium	1062
Intake	1014

3. What are the current pricing rates?

This is public information available through the open records laws.

4. What is the current credit policy?

The credit policy will include full blister packs and partial blisters pending regulatory changes.

Proposed regulatory changes are:

Section 8.0 Return or Exchange of Drugs

8.1 The Board, with the approval of the Director of Health, of the Rhode Island State Department of Health, hereby declares it to be its policy and intent, and the purpose of this rule, to protect the public health and safety, and to conform with the Rhode Island Food, Drugs and Cosmetics Act, and in particular, but without limitation of such purpose, to ensure that the public shall receive drugs, medicines, sick room supplies, and items for personal hygiene, with the assurance of safety and efficacy in their use.

8.2 Drugs, medicines, sick room supplies, and items for personal hygiene, shall not be accepted for return or exchange by any pharmacist, after such drugs, medicines, sick room supplies, or items for personal hygiene have been taken from the premises where sold, distributed, or dispensed, except under the following conditions.

8.2.1 **Prescription Drugs.** Unused prescription drugs may be accepted by wholesalers or pharmacies, from which they were purchased, for return from nursing facilities, assisted living residences, residential care facilities, community health organizations and state correctional facilities that centrally store prescription drugs and are licensed at the M1 licensure level by the Department, within forty-five (45) days of dispensing.

(a) The wholesaler or pharmacy to which the following categories of prescription drugs are returned may repackage, restock, and redistribute such medication:

- (1) Unopened sections of blister pack prescription medication, with seal intact;
 - (2) Unopened unit-dose containers of liquids with the safety seal intact;
 - (3) Unopened unit-dose containers of powders for oral solution with safety seal intact;
- and
- (4) Unused injectables, with safety seal intact.

- (b) **Exceptions.** Notwithstanding the provisions of §8.2.1 of these Regulations, the unused prescription drug shall not be accepted, repackaged or redispensed if:
- (1) The prescription drug is expired or beyond use date;
 - (2) The pharmacist accepting or redispersing the drug, in his or her judgment has reason to believe that the prescription drug is adulterated, mislabeled, or has been improperly stored;
 - (3) The prescription drug is defined as controlled substances in RIGL §21-28- 1.02; or
 - (4) It is a drug that can only be dispensed to a patient registered with the drug’s manufacturer in accordance with federal Food and Drug Administration requirements.

Vendor B

1. Pages 24-28 – Appendices A-C, Drug Cost per Unit – Is it possible to provide this form to potential vendors in an Excel format? Previous RFPs, including similar data in appendices were available in an Excel format.

Appendices A-C are attached as a downloadable .zip file. Please click on the letter 'D' in the column labeled 'Info.'

2. Page 23 – Could you please confirm the requirement for the “Technical Proposal” to be no longer than six pages? Given the information needed to be included in this, just wanted to verify this requirement, as it may be difficult to contain to this number of pages, given responses to the specific requirements?

Due to the complexity of the proposal, bidder may utilize as many pages as necessary for the technical portion of the RFP.

Vendor C

1. The RFP indicates that approximately 9,000 prescriptions are dispensed per month. Can you please break down the average number of prescriptions per month dispensed to:

Average number of prescriptions in March 2014 was:

High Security	341
Minimum	902
Womens	942
Maximum	876
Medium	3036
Intake	3248

2. How many medications are (or what percentage of medications is) dispensed as stock? As patient-specific?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

3. Regarding the current contract rate for pharmacy services: Is it a discount to average wholesale price (AWP) for brand and single source medications/injections/biologicals? If so, what is the current discount to AWP for each category?

This is public information available through the open records laws.

4. Is it vendor acquisition cost for generics and OTC items? If not, how are they priced under the current agreement?

No differences.

5. What is the current PIPM fee?

This is public information available through the open records laws.

6. Can the vendor purchase your current carts, or are new carts required?

No. New carts are required at the start of the contract.

7. How many med carts do you need?

RIDOC currently utilizes 8 GP Med System medication carts.

8. Page 7 of RFP states it is the intent of the State to obtain on-site pharmacist management services, outside this RFP. To clarify, is the cost to provide these services the responsibility of the bidder, or is this a service that will be advertised in its own RFP and in no way related to this procurement?

Clinical services are covered under a separate RFP.

9. In regard to the 10% MBE requirement, does the MBE contractor/subcontractor(s) need to be registered in Rhode Island? Or, will registration/certification from a national organization suffice?

Please see MBE requirement at <http://www.mbe.ri.gov/pdf/Regulations%20Gov%20MBEs.pdf>

10. Is the current electronic prescription order entry via NextGen or a vendor provided system interfaced to NextGen?

Vendor must interface with NextGen system at vendor's expense.

11. Are each of the order entry terminals the property of the RI DOC or the current vendor?

RIDOC.

12. Will these need to be replaced by an incoming vendor?

No.

13. How many terminals are currently in use?

105 terminals.

14. It is typical for each vendor to absorb the cost for their side of any interface. Will bidders only be responsible for costs on their side of an interface with NextGen; and will NextGen be responsible for any cost on their side for programming and interfacing?

Vendor will be responsible for all costs of interfacing with NextGen system.

15. To clarify, is the RI DOC utilizing a paper MAR system? Or, is the MAR and med pass electronic?

Currently the MAR is hardcopy, supplied by the vendor. RIDOC is in the process of transitioning to an electronic MAR. Any pharmacy-specific costs are the responsibility of the pharmacy vendor.

16. What current performance guarantees are in place for the timely delivery of pharmaceutical products?

There are no guarantees in the current contract.

17. As NextGen is a very large and diverse corporation, could you please provide your NextGen account representative's name and phone number so a bidder can reach out to this individual in regard to the requirements of an interface along with projected costs?

Nextgen contacts are gsteiner@nextgen.com and mcusack@nextgen.com.

18. What is the current hourly charge being paid on a monthly basis by the DOC to have a representative of the vendor visit each site to inspect medication inventories? How many hours are billed each month for this service in total? Are any other inspection services provided (i.e. medication room inspection)? And, if so, how often?

The current vendor does not provide this service and is not part of this RFP.

19. Is the DOC requesting a written response that addresses each item in Section 3 – Scope of Work? If so, is there a page limitation?

Yes. Due to the complexity of the proposal, bidder may utilize as many pages as necessary for the technical portion of the RFP.

20. When preparing a response to Section 4 – Technical proposal – is this entire section to be no more than 6 pages as stated on Page 23 – item 4, yet still address all items of the scope and items detailed in this section?

Due to the complexity of the proposal, bidder may utilize as many pages as necessary for the technical portion of the RFP.

21. On Page 17, can you clarify what is being requested of a bidder to “provide a procedure for documenting the client specification requirements for each facility and the change control process in place to ensure the accuracy of RI DOC policy and procedures?”

Please address each of the identified topics on page 17.

22. Section 1 is asking for acquisition cost of medications which is typically defined as the bidders direct upfront cost of medications, yet goes on to ask for AWP which is not acquisition cost, but a published value generated by the manufacturer. Can you clarify if brand name items are to be priced as a discount to AWP? Or, are they to be priced as a bidder’s actual acquisition cost?

To clarify, please provide acquisition cost as AWP is less relevant to this pricing model.

23. Also, since Medispan is the industry leader for publishing AWP data, can their AWP published price be utilized in place of First Data Bank as not all bidders subscribe to First Data Bank?

Yes, but see response to 22 above.

24. Then, Section 2 goes on to define acquisition cost in a completely different manner without reference to the AWP at all. Is the definition of acquisition cost intended to be different for Sections 1 and 2?

Again, please use actual acquisition cost.

Appendix A

25. To allow for clarity and consistency amongst bidders, of the 50 medications listed in Appendix A, please indicate which items the DOC considers as biologicals and which are considered as injectables.

No need to differentiate between the two since this should be priced as a pass through at acquisition cost.

26. As we have seen numerous times in the past, bidders have quite a range of interpretation on what defines a unit for inhalers and topical items. On item 3 – Lantus insulin – is one unit 1 mL or 1 -10mL vial? On item 8 – Ventolin HFA – is one unit 1 gram or 1 – 18gm MDI? Etc.,

Price as a unit as follows. (1) inhaler, (1) 10ml vial insulin, etc. Topicals should be priced as 30gm tubes. Please indicate unit size is pricing does not follow this convention.

Appendix B

27. As acquisition costs change, sometimes on a daily basis, will changes in a vendor's acquisition cost be permitted throughout term of contract as long as it can be validated with provision of an invoice?

We are expecting to be charged the actual acquisition cost of the medication in each prescription.

28. Quite often, bidders are seen providing medication acquisition costs that are simply misleading or inaccurate or for products that are short dated and therefore are priced at a substantial discount. To ensure the integrity of the bid process, will you require all bidders to submit their most recent wholesaler invoice along with the NDC of the drug they submitted on the pricing form in Appendix B so the RI DOC can ensure complete transparency in the pricing component of the RFP and question any glaring discrepancies amongst bidders?

Vendor should submit the most recent invoice and this process will be audited by our pharmacy management vendor.

29. On item 2, is one unit considered 1 gram of the cream or 60 grams? Is the same metric to be applied to all topicals, inhalers, injections, etc.?

Please see answer to Appendix A above.

30. On item 10, what metric quantity is to be priced out for 1 unit?

Please see answer to Appendix A above.

Appendix C

31. Quite often, bidders are seen providing medication acquisition costs that are simply misleading or inaccurate or for products that are short dated and therefore are priced at a substantial discount. To ensure the integrity of the bid process, will you require all bidders to submit their most recent wholesaler invoice along with the NDC of the drug they submitted on the pricing form in Appendix C so the RI DOC can ensure complete transparency in the pricing component of the RFP and question any glaring discrepancies amongst bidders?

Vendor should submit the most recent invoice and this process will be audited by our pharmacy management vendor.

32. On item 24, are you looking for a price on a case of 12? Or, for 1 bottle of 473mL?

Please see answer to Appendix A above.

33. A pharmacy cannot dispense >5% of their sales as stock to your facilities (Federal Register, Vol. 64, No. 232, 21 CFR Parts 203/205, III, H, 4.) Therefore, a bidder must be a licensed wholesaler to distribute wholesale quantities of stock medications that are greater than a "minimal amount" into your state to be in legal compliance with Federal

regulations. To ensure a bidder is already in compliance with this Federal requirement, and as the only means the RI DOC can verify if a bidder is compliant, will you require bidders to disclose what percentage of their overall current sales are for stock medications as part of their proposal submittal?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

34. Will you require bidders to provide evidence/ documentation to be submitted as part of the proposal as to whether they are a wholesaler?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

35. Will failure to provide proof of compliance with federal regulations, specifically this requirement, deem a bidder non-responsive and therefore ineligible for an award?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

36. A wholesaler is ONLY able to sell products in the original manufacturer container (21 U.S.C. 352.) In order for a wholesaler to legally sell repackaged stock blister cards, the wholesaler must use a secondary vendor (FDA licensed repackager) to PRODUCE a new package with a new labeler code. Otherwise, the wholesaler can only sell stock in the original bulk manufacturer bottles. Will you require bidders to provide evidence, submitted as part of the proposal, that they use an FDA Registered Repackager (i.e., provide the repacker’s license and labeler code) to ensure compliance with federal regulations, as this is the only means to ensure compliance?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

37. Will failure to provide proof of compliance with federal regulations, specifically this requirement, deem a bidder non-responsive and therefore ineligible for an award?

In our system we refer to this medication as “stock”. In reality, this medication is an “emergency kit” similar to those utilized in long term care facilities.

38. True unit-dose dispensing is required in many states, and is the only way to guarantee the integrity of the dispensed tablets, the lot number, and expiration date of medications reclaimed by a pharmacy vendor from facilities around the country. A pharmacy vendor that dispenses medications in blister cards (both stock and patient-specific) is not enough; they must individually label each bubble of the blister card with a medication’s name, strength, manufacturer, NDC number, lot number, and expiration date to be considered true unit-dose. Not doing so causes a pharmacy to lose accountability of a medication’s lot number and expiration date during a drug recall which could cause patient harm, not to mention legal action against your facility. Will you mandate that bidders be in complete compliance with this requirement at the time of proposal submission so they can legally reclaim medications and provide credit to your facility?

Yes, vendor must comply with all federal and state regulation.

39. Will you deem bidders that choose not to, or cannot, label each bubble of a blister card with the required information for unit dose packaging as non-responsive and therefore ineligible for an award?

Vendor must comply with all federal and state regulation. Decisions regarding responsiveness of proposals will be based upon the entirety of the bidder's submission.

40. Will you require a sample blister card to be submitted by each bidder as proof of compliance with this requirement?

Yes.

41. Do your facilities currently use a barcode electronic order reconciliation and medication return management system?

Barcoding reconciliation currently occurs at the vendor site.

42. Will there be an opportunity to ask more questions in the event responses are not clear?

No.

Vendor D

1. How many medication carts are currently at each building? What is the make and model?

RIDOC currently utilizes 8 GP Med System medication carts.

2. Does the delivery requirement include delivery to each building on campus or is there a central delivery location?

Delivery is to each individual facility.

3. Will the RIDOC require disclosure if a pharmacy provider shares ownership, owns, is a subsidiary of, or part of a parent company which owns or has an ownership interest in a wholesaler?

Yes, disclosure is part of the contract process.

4. Will the RIDOC require arm's length transactions for all medication purposes?

All wholesalers must purchase their products from either manufacturers or other wholesalers. Respondents to this RFP may have ownership interests in their own wholesalers/repackagers. While the wholesaler entity is not legally permitted to sell medications to RI, they are licensed to sell to their subordinate pharmacy (themselves). The importance of this point is that the RIDOC should require arm's length transparent transactions from its vendors and potential vendors that document the actual cost of goods being sold and all applicable rebates and discounts. If a pharmacy owns its own wholesaler, then the RIDOC would want to know how much the wholesaler and/or repackager is paying for the medication and what rebates and discounts their wholesaler and/or repackager is receiving. The production of purchase invoices to support monthly billing may be manipulated when the same interested entities are conducting the transactions and producing their own supportive documentation. This creates a lack of transparency as their wholesale and/or repackager invoices are created by themselves and legally they are entitled to assign their own NDC #'s and prices. One price could be

submitted for the RFP with an auditable invoice and another could be charged to RI through the course of the contract. In effect, it creates an opportunity outside of the dispensing fee for the pharmacy to generate profit at RIDOC's expense without violating the contract and without providing their rebates and discounts.

It is expected that the vendor will pass along all applicable rebates and discounts.

SECTION 5 -COST PROPOSAL

5. Brand/Single Source Products- This section on page 19 of the RFP asks respondents to provide information on the "Acquisition Cost" pricing on Appendix A. The RFP states that "This pricing should be referenced using AWP as defined and determined by First DataBank".

See response to Vendor C questions

6. Does RIDOC want the pricing to be based on Acquisition cost or on AWP? These are two different pricing bases.

See response to Vendor C questions

7. If the pricing is to be based upon AWP does RIDOC want respondents to use another database service? It is our understanding that First DataBank no longer publishes AWP prices. There are other companies such as Medi-Span and Micromedix that still publish AWP.

See response to Vendor C questions

8. If pricing is to be based on Acquisition Cost, would that acquisition cost be based on the same definition that is outlined in sub-section 2 (Generic Products/ Over The Counter Products) or a different definition?

See response to Vendor C questions

APPENDIX A, APPENDIX B and APPENDIX C

9. For medications which are not tablets or capsules, should the respondents complete the schedule using the cost per container (i.e. tube, bottle, inhaler, vial etc.) or the cost per unit of measure (i.e. milliliter, gram, ounce, etc)?

See response to Vendor C questions

10. For medications which are not tablets or capsules, should the respondents complete the schedule using the cost per container (i.e. tube, bottle, inhaler, vial etc.) or the cost per unit of measure (i.e. milliliter, gram, ounce, etc)?

See response to Vendor C questions.

11. ADVAIR DISKUS (60GM) 500/50 INH - This item is not 60 grams. A single inhaler includes 60 doses. Should all respondents price this medication by package or by puff?

See response to Vendor C questions.

12. SPIRIVA HANDIHALER 18 MCG CAP - This item comes in three sizes: 5 capsules, 30 capsules or 90 capsules. Please identify which item you want all respondents to provide pricing on.

30 capsules.

Vendor E

_____ received notification of the Rhode Island Department of Corrections Pharmacy Services bid. In reviewing the bid specifics, we have noted that the scope of services are for stocking and assistance with managing the in-house pharmacy. _____ is a Prescription Benefit Manager, processing prescription claims submitted by pharmacies (determining eligibility, copayment, plan provisions, etc.) and not the actual management and dispensing of medications. Based on this knowledge, I *believe* that we are not qualified to provide the services requested unless:

- a) There is an opening for the claim processing in which _____ could assist
or
 - b) The department would consider supplying inmates with prescriptions through a mail order pharmacy (as opposed to an in-house location)?
- Please let me know if either of these options are available and we will provide a detailed response about the exceptional services _____ can provide.

The current contract provides medication from an off-site pharmacy (similar to mail order). RIDOC does not have an on-site pharmacy.