Questions for MD Department of Health Contract ODH/OPASS 20-18592
Pharmaceutical Services
From Correct Rx Pharmacy Services, Inc.

1. Does the Contractor have to bid on all facilities? **Department Response** - Vendors are not required to bid on all facilities.

2. Section 2.3.2.4 requires "blister cards that are perforated with the name of the medication and dosage administration time, patient/resident/client name, expiration date, and all applicable warning labels affixed or printed on the back of each dose." This is not a regulatory requirement nor is it required to provide credit for returned medications (this is a financial not regulatory decision). So, what is the purpose of this requirement?

   Department Response – It is the determination of the Department that this requirement remains unchanged.

3. What is the current dispensing system at each facility? **See Department Responses Below**:

   Holly Center - Since COVID-19 restrictions, dispensing has gone to a weekly cassette system with delivery on Tuesday evenings. Bi-daily deliveries are still received for as needed items with the exceptions of Sundays and state holidays. After restrictions, we will return to receiving bi-weekly cassette deliveries on Tuesday and Friday evenings.

   RICA Baltimore: A nurse reviews the MAR, checks on two forms of resident identification, determines if gloves are indicated, calls the resident to the nursing station, hands the resident their medication in a small cup with a separate cup of water, makes sure that the resident takes their medication and records this in the MAR.

   JLG-RICA uses medication carts with replaceable cassette drawers.

   WMHC – current dispensing system at WMHC is Med Select.

4. Would both RICA facilities consider switching from the current cassette system to a cycle system of 30-day blister cards for all routine medications? **See Department Responses Below**:

   RICA Baltimore prefers 1 week of medication, except for a 30-day blister card for stimulants. Changing the system would require more storage space, and increased drug transfer when drugs are changed or discontinued.

   JLG-RICA would not be interested in 30-day blister packs unless packs could be split by pharmacy between facility and home.

5. Section 2.3.2.16 requires a quarterly inventory of all drug storage areas while Section 2.3.7.10 requires monthly inventory of drug storage areas. Is the requirement quarterly or monthly? **See Department Response Below**:

   Holly Center - Requirement for all drug storage areas is quarterly.

   RICA Baltimore: quarterly inventory of all drug storage areas

   RICA - JLG - Requires quarterly for our type of facility.

   Western MD Hospital Center - the Pharmacy representative conducts monthly station inspections of medication rooms and monthly filling of the MedSelect machines. There is not "inventory" of all the medications. Medications are dispensed to each resident from pharmacy and electronically tracked per the prescription orders and cassette exchanges/delivery and corresponding eMAR administration.

6. Please provide a list of the medication carts, cabinets, and emergency/interim boxes by facility. Please provide a list of the number and location of fax machines as well. **See Department Response Below**:

   Holly Center - We have the following: 1 cart per residence (R-300, R-600 and R-800); R- 700- 2 medication carts and 1 interim cart in R-700 (Total medication carts- 6 ; 1 fax machine in R-700; 1 ER box in every residence and Dental Clinic (Total ER boxes- 5). We do not have any cabinets from pharmacy at this time.

   RICA Baltimore - 3 medication carts one on cottage A, B and C in the Medication rooms; 4 interim boxes one on cottage A, B and C and Triage in the Medication rooms; 4 fax machines on cottage A, B and C near medical record cabinet and in Central Nursing Office.

   RICA–JLG - Medication cart for Cottage 1, 3 and Health Suite. Need three emergency/interim boxes in the same areas and no cabinets. We would need one fax machine in each of the three areas as well.

   Western MD Hospital Center - 1E – 6, 2E – 2, 2W – 3, 3N – 1 Currently using 9 carts with 3 in reserve for any breakdowns. Pharmacy Fax: qty 5 - One on each unit (3N 2E 2W 1E 1W).   There is a POTS line (Plain old Telephone- a line like at private residences); not a part of the Telephone 'System' that desk phones use) at each Team Center that is utilized by the Pharmacy Fax. (The POTS Line is a part of emergency plan. If telephone system ever were to have an issue/go out, we could plug an old school telephone in and have some communication on each unit).
   MedSelect – (Pyxis-type box):   qty 4
   Emergency boxes: a total of 4. One for each unit, then a spare in RN Supervisor closet. There is also an emergency behavior drug box, also in RN Supervisor closet.

7. Section 3.2.5 requires deletion of all State Data no later than 90 days. What is meant by that as we are required to keep fill data for insurance companies much longer than that for

audit purposes. **Department Response** – Deletion of State Data no later than 90 days after ALL audit requirements are met.

8. Section 3.3.3 Billing suggests we should be billing the facility for Actual Acquisition Cost for drugs that cannot go through insurance. Section 3.3.4 b) says that in instances where there is no insurance, The Contractor is to bill at the Medicaid rate. The two numbers are not the same and, in many instances, the Medicaid rate may not cover our costs. Which rate are we to use for billing purposes?

   Department Response – The Contractor will be reimbursed at the Actual Acquisition Cost rate for drugs not covered through insurance or for residents that have no insurance. <u>Refer to IFB – Attachment B Bid Form and Instructions, item I. regarding coverage of additional costs.</u>

9. Section 3.3.3 d) states we are to provide invoices giving evidence of the Actual Acquisition Cost billed to the facility. It is cost prohibitive to have to pull and copy each invoice for each fill for each month. Would the state consider selecting a small number of invoices and having the Contractor provide invoices for those only? **Department Response**:

   <u>**Holly Center**</u>- At this time, we still require AAC individual bills because that is how we justify the costs being charged to the facility. Additionally, we conduct monthly internal pharmacy reconciliation and need the individualized bills to be able to complete the audit. Lastly, we have to keep those audits no file for at least one rolling year for our state audits.

   <u>**RICA Baltimore**</u>: Section 3.3.3 d) states that the pharmacy is to provide invoices giving evidence of the Actual Acquisition Cost billed to the facility.

   It is not required to pull and copy each invoice for each fill for each month. For example if John Smith is on Olanzapine 10 mg., then the pharmacy states that their cost is X for a 30 day supply and they are billing the state Y for that 30 day supply

10. Section 3.9 requires a SOC 2 Audit Report for Security, Availability, and Confidentiality. Security, confidentiality, and availability are of the utmost importance to our company. However, these types of audit easily exceed $10,000 a year which makes it cost prohibitive for the state on so few beds as we will have to incorporate these costs into our management fee. Would the state consider eliminating this requirement of requiring one audit at the beginning of the contract?

    Department Response - This requirement will remain. <u>Refer to IFB – Attachment B Bid Form & Instructions, item I, regarding costs</u>.

11. This contract is defined as a "firm fixed price contract as defined in COMAR 21.06.03.02" which means a fixed price contract that provides a price that is not subject to adjustment because of variations in the contractor's cost". However, over a five year period, the vendor has no control over increases in the actual acquisition cost of medications by

manufacturers. Are the cost of the medications fixed at the values bid on Appendix 2 or just the monthly administrative cost?

Department Response – The Actual Acquisition costs of medications are variable based on market price. The monthly administrative cost is fixed.