



Department of Public Safety and Correctional Services

Office of the Secretary

300 E. JOPPA ROAD • SUITE 1000 • TOWSON, MARYLAND 21286-3020
(410) 339-5000 • FAX (410) 339-5071 • TOLL FREE (877) 379-8636 • V/TTY (800) 735-2258 • www.dpscs.maryland.gov

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QUESTIONS AND RESPONSES #13 SOLICITATION NO. Q0016025

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES PHARMACY SERVICES

June 21, 2018

Ladies/Gentlemen:

This list of Questions and Responses #13, question #289 is being issued to clarify certain information contained in the above RFP.

In most instances, the Department's response to the submitted questions merely serves to clarify the existing requirements of the RFP. Sometimes, however, in submitting questions potential Offerors may make statements or express interpretations of contract requirements that may be inconsistent with the Department's intent. To the extent that the Department recognizes such an incorrect interpretation, the provided answer will note that the interpretation is erroneous and either state that the question is moot once the correct interpretation is explained or provide the answer based upon the correct interpretation.

No provided answer to a question may in and of itself change any requirement of the RFP. If it is determined that any portion of the RFP should be changed based upon a submitted question, the actual change may only be implemented via a formal amendment to the RFP. In this situation the answer provided will reference the amendment containing the RFP change.

289. The REVISED answer to Question #198(B) (from Questions and Responses (Q&A) #2 issued November 17, 2017) is as follows:

198. Item 3.2.27.4 on page 38 of the RFP states, "For medications obtained through local pharmacies the Contractor shall not charge DPSCS more than 10% above what the Contractor would have charged for the medication (i.e., AAC less any proposed discount) if it had been provided through the Contractor's primary pharmaceutical supplier." Throughout the industry, typical practice is for Agencies to pay the local emergency backup pharmacy invoice as a pass-through charge (of the actual charges) since the vendor pharmacy does not have any control over the costs established by local pharmacies providing emergency services.

(B) Can DPSCS share how the reimbursement structure in item 3.2.27.4 was derived?

RESPONSE: (B) The pricing structure used by DPSCS was derived to minimize the Contractor's reliance on or use of local pharmacies and limiting it to those instances when the Contractor cannot meet the four (4) hour delivery requirement from their facility.

It is worth noting that for the duration of May 2016 through April 2017, 259 urgent/emergency prescriptions were filled by a local pharmacy totaling \$13,298.48 and for the duration of May 2017 through April 2018, 267 urgent/emergency prescriptions were filled by a local pharmacy totaling \$17,314.26. It is important to note that for the duration of May 2016 through April 2017, 256 of these urgent/emergency prescriptions were delivered to facilities in western Maryland (Cumberland and Hagerstown), whereas the remaining were delivered to Eastern Correctional Institution and for the duration of May 2017 through April 2018, all 267 urgent/emergency prescriptions were delivered to western Maryland. It is also important to note that under the current contract's structure, the above-referenced amounts of \$13,298.48 and \$17,314.26 were each paid as a pass-through cost based on local pharmacy charges.

See also Amendment #27, Item No. 12.

~~(B) This information will not be provided.~~

Date Issued: **JUNE 21, 2018**

Issued and Authorized By:

<signed>

Andrea R. Lockett
Procurement Officer