

How to Use the Pharmaceutical Prime Vendor Statewide Contract

Contract #: MED47	Contract Duration: 7/1/16 to 6/30/21
MMARS #: MED47*	Options to Renew: Two of one year each
Contract Manager:	Peter Etzel 617-720-3397 peter.etzel@state.ma.us
This contract contains:	Supplier Diversity Program (SDP)
UNSPSC:	23-15-18, 51-21-00
Last change date:	December 21, 2016

Contract Summary

This contract covers all prescription and OTC (over the counter) pharmaceuticals, related pharmaceutical supply items and equipment sold by Cardinal Health, the sole (Prime) vendor drug wholesaler, for use in all healthcare settings with a DEA certificate and pharmacy license. Healthcare settings without a pharmacy license may set up an OTC only account with Cardinal Health. COMMBUYS PO #: PO-16-1080-OSD03-OSD03-00000006793, and Punch-out PO-16-1080-OSD03-SRC3-00000006432. **For information on obtaining Naloxone (Narcan®) please see special instructions on pages 7-8.**

Benefits and Cost Savings

- Competitive prices
- Access to Cardinal's private label products
- Help with inventory management: when requested, Cardinal loans hand held electronic inventory units, from which Cardinal can value and print the inventory

Who Can Use This Contract?

Applicable Procurement Law: MGL c. 7, § 22; c. 30, § 51, § 52; 801 CMR 21.00



Eligible Entities:

01. Cities, towns, districts, counties and other political subdivisions
02. Executive, Legislative and Judicial Branches, including all Departments and elected offices therein;
03. Independent public authorities, commissions and quasi-public agencies
04. Local public libraries, public school districts and charter schools;
05. Public Hospitals, owned by the Commonwealth;
06. Public institutions of high education
07. Public purchasing cooperatives;
08. Non-profit, UFR-certified organizations that are doing business with the Commonwealth;
09. Other states and territories with no prior approval by the State Purchasing Agent required; and
10. Other entities when designated in writing by the State Purchasing Agent.

Pricing and Purchase Options (All Categories)

Purchase Options:

Purchases made through this contract will be direct outright purchases. When not using Cardinal Online ordering or placing orders through COMMBUYS:

- To make it clear that the order is a “use of a Statewide Contract” for procurement purposes include the following statement: “This order is placed under Statewide Contract MED47”.
- It is recommended that the following language also be included: “All of the terms and conditions of the Statewide Contract MED47 are incorporated herein and made a part hereof. Conflicting or additional terms, conditions or agreements included in or attached to this form shall be considered to be superseded and void.”

Pricing and buying details

For information on obtaining Naloxone (Narcan®) please see special instructions on pages 7-8.

For purchaser job aids, click here: [COMMBUYS Purchasing Job Aids](#).

General Hint - One way to find this SWC is with “Advanced Search” entering the contract number (three letters two digits) in the “Description” field.

The exact purchase price of a drug is viewable in Cardinal Health’s electronic catalog or on Order Express through the COMMBUYS punch-out PO. For most products, the purchase price is Cardinal’s acquisition cost minus a percentage based on payment timing, as shown in the following table:



Commonwealth of Massachusetts Volume Grid							
Total Monthly Purchases*		COGs at Pay Term+					
From	To	7 Days From Statement	10 Days From Invoice	15 Days From Invoice	20 Days From Invoice	30 Days From Invoice	45 Days From Invoice
\$0	- \$1,599,999	-5.03%	-5.03%	-4.95%	-4.85%	-4.60%	-4.22%
\$1,600,000	- \$1,999,999	-5.08%	-5.08%	-5.00%	-4.90%	-4.65%	-4.27%
\$2,000,000	- \$2,399,999	-5.13%	-5.13%	-5.05%	-4.95%	-4.70%	-4.32%
\$2,400,000	- \$2,799,999	-5.18%	-5.18%	-5.10%	-5.00%	-4.75%	-4.37%
\$2,800,000	- \$3,199,999	-5.23%	-5.23%	-5.15%	-5.05%	-4.80%	-4.42%
\$3,200,000	- \$3,599,999	-5.25%	-5.25%	-5.17%	-5.07%	-4.82%	-4.44%
\$3,600,000	- \$3,999,999	-5.27%	-5.27%	-5.19%	-5.09%	-4.84%	-4.46%
\$4,000,000	- \$4,399,999	-5.29%	-5.29%	-5.21%	-5.11%	-4.86%	-4.48%
\$4,400,000	- \$4,799,999	-5.31%	-5.31%	-5.23%	-5.13%	-4.88%	-4.50%
\$4,800,000	- Above	-5.33%	-5.33%	-5.25%	-5.15%	-4.90%	-4.52%

*Total Monthly Purchases are quantified by aggregating all purchase volume within a given month from all facilities.

+Drugs used to treat Hepatitis-C (including but not limited to Harvoni, Sovaldi, Olysio, Viekira Pak, Daklinza, Technivie, etc.) will not receive the full COGs discount but will instead be priced at a discount of -2.50%.

The State Office of Pharmacy Services (SOPS) Tewksbury Pharmacy Distribution Center (PDC), the primary purchaser of pharmaceuticals, has committed to the 7 Days from Statement payment term. If no acquisition price is established, then the item’s acquisition price will never exceed the drug’s manufacturer published Wholesale Acquisition Cost (WAC), an industry standard price to a wholesaler.

When a purchaser requests that Cardinal order a product it does not carry or list on its online catalog to be dropped shipped directly from a manufacturer to the purchaser, Cardinal’s percentage will be zero percent (0%) in determining the Net Price. This means the purchaser would pay Cardinal the same price the manufacturer charged Cardinal.

Additional Information

Geographic service and delivery areas

Cardinal Health will be able to provide the requested service(s) throughout the Commonwealth.

Group Purchasing Organization (GPO)

A group purchasing organization is an entity that helps healthcare providers — such as hospitals, nursing homes and home health agencies — realize savings and efficiencies by aggregating purchasing volume and using that leverage to negotiate discounts with manufacturers, distributors and other vendors of health supplies such as pharmaceuticals, biologics, medical/surgical equipment, laboratory supplies, and capital equipment. GPO’s actively negotiate contracts with manufacturers on behalf of their members, and/or provide their members access to the purchasing contracts of other GPO’s. The Commonwealth’s GPO for this contract is Managed Healthcare Associates (MHA). MHA is not itself a vendor on this contract. Their roles are: establishing with manufacturers the vendor’s acquisition price of a drug



(from which the purchaser's net price is calculated), checking pricing for accuracy (vendor will issue credits or debits as needed), and identifying when a purchaser could have purchased a less expensive drug. The State Office for Pharmacy Services (SOPS) handles these pricing transactions for all facilities under its control. Further information on GPOs from their association is posted on the Forms and Terms tab of the Contract.

Product Specifications

- All items sold under this contract will be compliant with all applicable Federal laws and regulations such as FDA 21 CFR at time of sale; and all applicable Commonwealth of Massachusetts Laws and Regulations; and when applicable meet City of Boston Fire Code standards.
- Cardinal will not deliver pharmaceuticals with an expiration date of less than six (6) months without permission of the chief pharmacist or designee at a purchaser.
- Cardinal will primarily ship orders in sealable plastic totes that will be picked up by Cardinal and reused for future deliveries.
- Cardinal will provide adhesive shelf barcode labels that have the SKU and description of the drug with each order, or when requested by Purchasing Entities.

Ordering

For information on obtaining Naloxone (Narcan®) please see special instructions on pages 7-8.

An account must be established with Cardinal Health prior to placing orders. In order to purchase prescription products, a purchaser must have a licensed pharmacy and DEA certificate and the address of that license is where they must be delivered. Some facilities obtain prescription products from the State Office for Pharmacy Services (SOPS). Healthcare settings without a pharmacy license may set up an OTC only account with Cardinal Health.

Punch-Out Ordering

PunchOuts are COMMBUYS connections developed with specific sellers that allow buyers to 'PunchOut' to

a seller's online shopping website to search for and choose the desired items. Once items are selected, the buyer transfers these items to COMMBUYS to start a release requisition. Use of a PunchOut is covered in more detail in the Job Aid "Purchase from a Vendor Online PunchOut G2B Catalog" on [Job Aids for Buyers](#).

Use of the Cardinal COMMBUYS PunchOut PO requires a Cardinal Order Express account. Cardinal will not fill backorders unless specifically requested by a purchaser.

RPA Release including CPS System users SOPS & Shattuck Hospital

Use a COMMBUYS Request for Payment Authorization (RPA) to document a purchase after the fact based on authorization to order outside of COMMBUYS. This contract is RPA Release enabled to allow contract users to capture spend after-the-fact associated with this contract. Contract Managers have carefully selected the contracts that would qualify for RPA Release transactions. Typically this is due to system or process impracticality and/or emergency



situations preventing the standard COMMBUYS purchase order processes from being followed to process paper invoices. For more details please consult the COMMBUYS Policy Document.

Once the invoice for the goods or services not ordered through COMMBUYS is received, follow the directions in the RPA Release Job Aid at [Job Aids for Purchasers](#). CPS system users may enter an RPA Release order as soon as they have the previous month's total \$ paid to Cardinal. A few hints to supplement that guide follow:

1. When you reach the "Items" tab Search enter the Item Description "pharmaceutical", Vendor Name, "Cardinal Health" and click the Find It button.
2. Select line #1 for pharmaceutical purchases and/or Line #2 for purchases of pharmaceutical industry machinery, equipment and related supplies. – Enter the total cost of order(s) at least monthly.
3. For the zero dollar line item, fill in the total dollars.
4. Enter the Invoice Number for each Item
5. Attach scans of all records of placing the order (could be an unofficial email quote), receipt of goods or services and final invoice in the "Attachments section."
6. The final invoice amount should match the Release Requisition total.
7. When selecting the vendor, please select the "print option"
8. Only enter one invoice per Release Requisition.
9. The final invoice amount should match the Release Requisition total.

Other COMMBUYS Purchases

All Executive Departments of the Commonwealth must use the PunchOut for prescription and over the counter pharmaceuticals and pharmaceutical related items available through Cardinal Health Pharmaceutical Division. It will connect to Cardinal's Order Express system (requires prior account set up).

For Pharmaceutical Equipment items supplied by other Cardinal Divisions please use PO-16-1080-OSD03-OSD03-00000006793 Line Item # 2: "For the purchase of pharmaceutical industry machinery, equipment and related supplies."

Delivery

All deliveries containing prescription drugs must be made directly to the Pharmacy. No Delivery Fuel or other Surcharges will be assessed to the Commonwealth.

SOPS PDC - The SOPS Pharmacy Distribution Center (PDC) at Tewksbury has specific delivery requirements that are different from other locations purchasing from the Contract. The PDC will receive same day delivery of orders placed by 11AM with delivery made before 2 PM the same day. The PDC will receive next day delivery between 7 and 8 AM for orders placed before 8 PM the previous day. All deliveries will be Monday through Friday at the PDC with the exception of major holidays when Cardinal is closed.

Other Sites - Cardinal will provide next day delivery Monday through Friday for orders placed before 8 PM with the exception of major holidays when Cardinal is closed, in which case delivery will be made on the next business day. Deliveries will be made before 10 AM.

Drop Ship - When a purchaser orders a product that Cardinal routinely carries or is Cardinal's online catalog and Cardinal has it dropped shipped directly from the manufacturer to the



purchaser, Cardinal will use the standard price % for the purchaser. The purchaser must give permission for routine drop ships.

When a purchaser requests that Cardinal order a product it does not carry or list on its online catalog to be dropped shipped directly from a manufacturer to the purchaser, Cardinal's percentage will be zero percent (0%) in determining the Net Price. This means the purchaser would pay Cardinal the same price the manufacturer charged Cardinal.

Drop Ship for DPH TB Control Program - Cardinal will provide Department of Public Health's TB Control Program with drop ships to their TB clinics and depots when requested.

Emergency Delivery - Cardinal will provide emergency delivery. Cardinal may add the actual cost of the delivery service to the Net Price providing Cardinal notified the purchaser prior to shipping the order.

Minimum Order Free Delivery - For any order of \$250 or more Delivery is free. The purchaser has the option of approving a delivery charge of up to \$50 for orders under \$250.

Returns -

Items ordered or shipped in error in original packaging and in saleable condition may be returned for full credit if Cardinal is notified within 7 calendar days of the delivery date. No shipping costs or restocking charges will be assessed to the Commonwealth and pickup will be within 3 calendar days of the request. The State Board of Pharmacy Services may establish additional agreements for return of saleable drugs.

Where to Find Contract Information on COMMBUYS

To find in depth Master Blanket Purchase Order (MBPO) information: on the [COMMBUYS](#), login page click on the "Contract & Bid Search" link, click the Contracts/Blankets button, enter MED47 in the Contract/Blanket Description, (if you have logged in and see a box labelled "Header Major Status" –use the dropdown menu to select "3PS-Sent), then all users click the "Find It" button, to see all MBPO's. You will see the MBPO's listed above. If you see a "vCurrent" MBPO, it is historical information from the prior COMM-PASS system. Click the link you want to see. The Contract User Guide and RFR are posted with the MBPO.

Strategic Sourcing Team Members

Name	Organization
Michael Donovan	Shattuck Hospital
Alkiviadis Nacopoulos	State Office of Pharmacy Services
David Pularo-Spazioso	State Office of Pharmacy Services
Donald Rogers	State Office of Pharmacy Services



Vendor List and Contract Information The sole Contractor is:

Sole Vendor	Contact Name	Phone Numbers	Email
Cardinal Health 110 LLC VC0000254802	Customer Service	800-926-3161 FAX 866-551-0530	government-pharma@cardinalhealth.com
New Account Request Cardinal Health	Dan Hartle	(217) 971-4458 mobile	dan.hartl@cardinalhealth.com

Detailed vendor information is available on [COMMBUYS](#), click on the “Registered Vendor Search” link.

<i>Staff - Cardinal Health Peabody</i>	Name	Desk#	Cell#
Operations Supervisor	Justin Cool	978-532-6900 X 440	
Operations Supervisor	Michael Curley	978-532-8259	978-430-6220
Compliance Supervisor	John Kibbey	978-977-2391	781-913-3869
Operations Supervisor	Terri Niles	978-977-2303	617-438-1345
Day Operations Manager	Will Quinones	978-532-8210	617-721-9041
Transportation Supervisor	Johnny Say	978-977-2386	857-204-3828
Operations Manager	David Baker	978-532-6900 X 407	781-526-1917
Operations Supervisor	Eberth Cabrera	978-977-2356	978-873-7700
Operations Supervisor	Bob Zarrella	978-532-8213	617-952-9542
Operations Supervisor	Erin Burke	978-532-8251	617-943-4147



Obtaining Naloxone (Narcan®)

Step 1: Apply for Approval to Administer Naloxone

- All municipal organizations must file the [Application for Massachusetts Controlled Substances Registration \(MCSR\) form](#) in advance of naloxone purchasing. Obtain the form at mass.gov/dph > Bureaus & Programs > Health Care Safety & Quality > Drug Control > MCSR > Application > [Naloxone](#).
- Mail the completed form to the Drug Control Program at the Department of Public Health at 99 Chauncy Street, Boston, MA 02111.



Step 2: Purchasing

Purchase through the [State Office of Pharmacy Services \(SOPS\)](#), which accepts naloxone purchasing requests and payments, and forwards shipments to the location designated by the purchasing organization.

- Email purchasing requests to Edward.Cavallari@state.ma.us and copy Scott.Brody@state.ma.us. Include a copy of the approved MCSR form
- Other SOPS information sources are: Elizabeth.Landers@state.ma.us and Donald.P.Rogers@state.ma.us.

Are you a first responder agency, such as a police or fire department? **For a limited time**, achieve greater cost savings as a first responder agency through the Municipal Naloxone Bulk Purchasing program: Purchase prefilled naloxone syringes (2 milligrams) for \$20 each, a savings of \$10.90 per syringe. SOPS covers overnight FedEx delivery costs. Naloxone atomizers may be purchased for \$4.56 each. (MED47 pricing as of June 8, 2016).

Have MED47 Questions?

Contact Peter Etzel at Peter.Etzel@state.ma.us.

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