

173-6-07

Prescription drug program contracts.

- (A) The department may contract with one or more entities to administer a prescription drug program or programs ~~through which prescription drug discounts are offered to cardholders through the~~ for the golden buckeye program cardholders.
- (B) All contracts shall be awarded on the basis of proposals submitted through a competitive sealed proposal process. Proposals must be submitted to the department no later than a date established by the director, and the director shall accept only those proposals that specify all of the following information:
- (1) The estimated amount of the ~~discount~~ cost savings based on the entity's previous experience and an explanation of how the discount is cost savings are to be achieved;
 - (2) To the extent that ~~discounts on prescription drugs are to be achieved through rebates or discounts in prices that the entity negotiates~~ the entity negotiates rebates with drug manufacturers, the proportion of the rebates ~~or discounts~~ to be used to do all of the following:
 - (a) Reduce any costs to cardholders;
 - ~~(b) Achieve discounts for cardholders;~~
 - ~~(e)~~(b) Cover costs for administering the program;
 - ~~(d)~~(c) Offer any other benefits to cardholders.
 - ~~(3)~~ (2) To the extent that drug discounts on prescription drugs are achieved from drug manufacturers, one hundred per cent of the drug discounts are to be used to reduce prescription purchase costs for cardholders.
 - ~~(3)~~(4) The estimated number and geographic distribution of participating pharmacies and the process for establishing the program's pharmacy network;
 - ~~(4)~~(5) Financial incentives to be paid to participating pharmacies by the entity;
 - ~~(5)~~(6) The percentage of prescription drugs to be covered by the program by major drug category;
 - ~~(6)~~(7) How the entity proposes to improve medication management for cardholders;
 - ~~(7)~~(8) How cardholders and participating pharmacies will be informed of the

~~discounted price~~ lower costs negotiated by the entity;

~~(8)~~(9) How the entity will handle complaints about the program's operation;

~~(9)~~(10) The entity's previous experience in managing similar programs;

~~(10)~~(11) Any additional information requested by the director through the competitive sealed proposal process.

- (C) The administrator must, as a condition to contracting with the department, agree to disclose any formal or informal working relationships or data-sharing agreements the administrator has with any pharmaceutical company that is in effect at any time during the term of the agreement. The golden buckeye prescription drug program retains the right to exempt itself and any data produced by or through the program from any such agreements.
- (D) The department may conduct the competitive sealed proposal process directly or through the Ohio department of administrative services, as authorized by law.
- (E) The department shall contract with one or more entities to administer a program or programs on the basis of the proposals submitted, but may require an administrator to modify its conduct of a program for any one of the following reasons:
 - (1) The administrator's performance is not in compliance with the contract;
 - (2) The department and the administrator agree that a better business plan exists for the program;
 - (3) Changes in federal or state law that affect the operation of the program.
- (F) The contract(s) entered into by the department shall be for a period of up to three years but, based upon the performance of the entity, the department, in its sole discretion, may negotiate an extension of the contract.
- (G) The department may terminate a contract with an administrator if the administrator fails to conduct a program in accordance with its contract, or with any modifications required by the department in accordance with paragraph (E) of this rule.
- (H) The department shall obtain approval from the state controlling board prior to entering into a contract or contract extension with any entity.

Effective:

R.C. 119.032 review dates: 11/15/2007

Certification

Date

Promulgated Under: 119.03
Statutory Authority: 173.02, 173.061
Rule Amplifies: 173.061
Prior Effective Dates: 12/11/2002, 09/12/2002
(Emer.), 01/12/01