

TEXAS ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.

Request for Proposal

Contract Pricing for 340B Eligible Entities



5900 Southwest Parkway, Building 3
Austin, TX 78735
(512) 329-5959
www.tachc.org

TACHC seeks proposals from manufacturers to offer contract pricing for 2019 for 340B eligible entities as described herein this solicitation for TACHC's national 340Better pharmacy purchasing program.

Texas Association of Community Health Centers, Inc. (TACHC) Request for Proposal: Contract Pricing for 340B Eligible Entities

BACKGROUND:

The Texas Association of Community Health Centers, Inc. ([TACHC](#)) is a private, non-profit membership organization established to provide technical assistance to non-profit, private and public health centers. As part of the technical assistance provided to such health centers, TACHC manages a national group purchasing program for pharmaceuticals, called [340Better](#).

To qualify for participation in the 340Better pharmacy program, a member must be a "covered entity" pursuant to Section 340B of the Public Health Services Act. All entities currently participating on the 340Better pharmacy program are health centers that meet the requirement of being a covered entity (list of current members available upon request). The TACHC office works closely with State and Federal agencies to assure that the members are in compliance with the requirements set forth in the law and that manufacturers are not subject to double discounts or rebates pursuant to the 340B provisions.

As of August of 2018, the TACHC 340Better pharmacy purchasing program has over 1610 participating health centers and contract pharmacies in 39 states. These health centers serve medically under-served areas and populations and it is estimated that over 71% of the patients served have incomes below the poverty level, are uninsured and have no other access to health care. FQHCs across the nation served over 27 million Americans as part of the national Community Health Center movement via over 1,400 FQHC organizations at over 10,400 delivery sites.

With the upcoming 2020 contract year, TACHC expects to continue to expand the number of its member health centers participating in the 340Better pharmacy program. TACHC will continue to aggressively market its pharmacy program to 340B eligible entities with its continued collaboration with the National Association of Community Health Center's (NACHC) purchasing affiliate, Community Health Ventures (CHV). TACHC is being supported by an agreement with Cardinal Health which will provide a unified database that tracks all orders by and shipments to member entities, enabling TACHC to monitor member drug purchases and avoid possible misuse of specially priced drugs.

GENERAL INFORMATION:

All TACHC 340Better members are eligible to receive 340B pricing, **a manufacturer should NOT reply to this RFP unless willing to offer prices locked in or below the current 340B price and willing to guarantee that price for at least 1 year.** If selected, a Bidder that provides such contract pricing and the necessary guarantees may be designated as a preferred vendor for the drug or class of drugs for which special pricing is provided. Quarterly reports can be provided, upon request, for preferred vendors to assess compliance with contract provisions.

A generic company willing to offer special pricing and the required guarantees may be designated as a preferred vendor for its entire line of generic products and may also be eligible to negotiate guaranteed market share agreements phased-in over a period of time on certain products within their product line.

All designations as a preferred vendor for a drug or class of drugs will be made after it is determined, at the sole discretion of the 340*Better* pharmacy program, that all prerequisites have been complied with and that the drugs or class of drugs are medically necessary for health center patients and cost effective for the health centers.

TACHC reserves the right to:

- Reject any or all proposals and discontinue the RFP process without obligation or liability to any vendor;
- Waive any defect, irregularity, or informality in any proposal;
- Accept a proposal other than the lowest-priced proposal;
- Award a contract on the basis of initial proposals received without discussions or requests for best and final offers;
- Request additional information or clarification;
- Request best and final offers from any or all Bidders;
- Accept proposals from one or more Bidders;
- Procure the services in whole or in part by other means.
- Award more than one contract; and
- Not award any contract.

Any organization, by and through the submission of a proposal, agrees to be held responsible for: (1) examining the RFP and all referenced material, (2) becoming familiar with the nature and scope of the services required by TACHC and (3) identifying any local conditions, administrative rules, or other factors that may impact the timeline for completion.

**PROPOSALS WILL BE KEPT CONFIDENTIAL DURING THE PROCESS OF
REVIEW AND NEGOTIATION!**

CONFLICT OF INTEREST:

Bidders shall state if they have a conflict of interest by directly or indirectly working with TACHC and the member health centers.

CRITERIA FOR PARTICIPATION BY VENDORS:

If interested in submitting a proposal, the 340*Better* pharmacy program will use the following criteria:

1. **Consideration will be given to vendors that will offer a competitive price at or below their 340B price and will guarantee that price firm for a minimum of one year.** The minimum contract term will be January 1, 2020, through December 31, 2020, unless a contract for a longer period is mutually agreed upon. TACHC will assign priority to these products in their respective therapeutic class.

2. If a proposal is submitted, but the price cannot be guaranteed firm for one year, secondary status may be considered for your product.

INSTRUCTIONS TO BIDDERS:

1. Complete and sign the Pharmacy Authorization Form.
2. Complete the Pharmacy Information Sheet.
3. In order to evaluate a submittal for contract pricing, a usage report is available, upon request (kbarnes@tachc.org), which lists all purchases during a 12 month period ending July 31, 2019.
4. Mark the lowest price for each drug or product listed on the TACHC Bid Form.
5. If a product is not listed on the Bid Form, complete the Supplemental Bid Form.
6. **BIDS ARE TO BE SUBMITTED IN ELECTRONIC FORMAT ONLY** to Kathryn Barnes at kbarnes@tachc.org.
7. Specify the brand name (if applicable), bid price and NDC/UPC number for all products proposed. *If a product is not listed on the Bid Form, please complete the Supplemental Bid Form.*
8. Specify prices for all strengths and package sizes of products offered on proposal including bulk and/or unit dose. **If a strength or package size is not listed on the Bid Form, list the price with relevant information on the Supplemental Bid Form.**
9. Specify the FDA rating of each drug proposed. It is imperative that this information be included on each drug that is reviewed. If the drug has not received a rating, please indicate this. If the rating changes at any time during the contract period, please notify TACHC of the change.
10. If Bidder is not the actual manufacturer of products quoted, please supply the name of the manufacturer(s) for each product in the space provided for each product. For generic products awarded, it is requested that the manufacturer remain consistent throughout the contract year.
11. Prior to awards, bidders may be requested to meet and negotiate guarantees.

PROPOSAL SPECIFICATIONS:

1. Ordering and Billing: TACHC 340Better members will place separate purchase orders via their respective Cardinal Health accounts, and will directly pay Cardinal Health for all invoiced products. In the case of direct delivery orders, members will order directly from and make payment to the vendor.

2. Shipping: TACHC has developed a distribution program where all health centers participating in the 340*Better* pharmacy program will purchase through Cardinal Health. If a vendor requires direct delivery to members as a condition of special pricing, this should be specified in the proposal, and such arrangements may be negotiated at the sole discretion of the 340*Better* pharmacy program.
3. Price Reductions: On all items, Bidder must guarantee TACHC 340*Better* members the benefit of reductions in price that may occur during the period of the contract (for example: if the 340B price falls below the contract price).
4. Shelf Life: All items shipped directly must have at least a one-year remaining shelf life.
5. Return Policy: For purchases direct form the vendor, a copy of a vendor's return policy must be attached to the response.
6. Insurance: In the case of direct ordering (not via Cardinal Health), bidder must furnish proof of insurance to cover its operations and products and must agree to indemnify a center on the part of the vendor. Such insurance must be in the amounts of \$1,000,000 per occurrence and \$2,000,000 in an annual aggregate
7. Direct Delivery Summaries: Vendors must agree to provide a quarterly summary to TACHC of all purchases made directly from the vendor that do not come through Cardinal Health. Such summary should list by group member the names of all items purchased, quantities and dollar volume.

Historically Underutilized Business Program:

TACHC attempts for Historically Underutilized Business (HUBs) to have the maximum opportunity to participate in the performance of TACHC contracts and sub-contracts. Proposers shall make a good faith effort to take all necessary and reasonable steps to ensure that HUBs have the maximum opportunity to participate as sub-Proposers. Failure by a Proposer or sub-Proposer to carry out this good faith effort shall constitute a breach of contract and, after notification of such breach by TACHC, may result in termination of the contract.

To be eligible under this program, HUB Proposers and sub-Proposers must be certified as a HUB, Minority/Women Business Enterprise (M/WBE), or a Disadvantaged Business Enterprise (DBE) source by a recognized governmental program.

Any Proposer identified as a HUB (as either a prime or sub-Proposer) shall submit a copy of its certification with its proposal. TACHC reserves the right to verify any Proposer's HUB, M/WBE or DBE status prior to contract award.

SUBMITTAL:

ALL PROPOSALS MUST BE SUBMITTED ELECTRONICALLY to
kbarnes@tachc.org

DEADLINE:

The response to this Request for Proposal is no later than **September 27, 2019**, by 5:00 pm central time.

Awards will be made in November of 2019. Successful bidders will be notified and ordering will follow in January of 2020.

PROPOSAL EVALUATIONS and AWARDS:

The TACHC 340Better pharmacy program, with the assistance of its Pharmacy and Therapeutics (P & T) Committee, will be solely responsible for evaluating proposals and making awards. Several factors will be considered when evaluating proposals. Although price will be an important concern, quality and a vendor's demonstrated performance will be the primary consideration. TACHC will give consideration to vendors who can supply all strengths, dosage forms and package sizes of a given drug. Therefore, please offer proposals on all strengths, forms and package sizes available from your company.

Please note: Proposals submitted below 340B pricing will be compared to 340B pricing of like products, manufactured by other manufacturers. A proposal submission below 340B price does not guarantee that your company will be awarded a product as "preferred vendor".

Once TACHC has made awards to the manufacturers for the contracted period, the manufacturers will be invited and encouraged to post a link to their website from the 340Better pharmacy program website at www.340Better.org.

TACHC considers your company extremely important to our members and the patients they serve. If you should have any questions or require further information, please do not hesitate to contact Kathryn Barnes at (512) 329-5959 or email at kbarnes@tachc.org.