OFFICE *of the* STATE COMPTROLLER

Centralization of Statewide Contracts to Consolidate Purchasing of Prescription and Physician-Administered Drugs:

A Feasibility Study

Submitted to the Governor and the General Assembly
Pursuant to Section 1(b) of Public Act 23-171
February 1, 2024

Comptroller Sean Scanlon
165 Capitol Avenue, Hartford, Connecticut 06106 | (860) 702-3300

TABLE OF CONTENTS

SECTION I. EXECUTIVE SUMMARY

To combat ever-increasing health care costs, the Governor and the General Assembly passed into law "An Act Protecting Patients and Prohibiting Unnecessary Health Care Costs" as Public Act 23-171. One of the many sections within the legislation directed the Office of the State Comptroller to study the possibility of centralization or consolidation of the purchase of prescription and physician-administered drugs provided by state agencies and other specific public entities.

In the Fall of 2023 the Comptroller's Office collected data from seven state agencies and public entities which utilize pharmacy services as part of their statutory mandate and used the information to craft a Request for Information (RFI). The RFI was released on December 4, 2023, and generated two noteworthy responses. The first response was from the largest statewide purchaser of prescription and physician-administered drugs – the University of Connecticut Health. UConn Health accounts for $285,307,987 or 90% of the total spending. The second response was from Diamond Pharmacy Services, which is the contractual supplier of all pharmaceuticals and related services to the Department of Correction. The DOC has the second highest overall spend on prescription drugs with $29,204,217 or 9.2% of the total drug spend reported. Both RFI responses discussed potential opportunities for savings and also highlighted potential avenues for risks.

After careful consideration of the data and responses to the RFI, the Office of the State Comptroller believes that the potential risks in centralizing and consolidating prescription and physician-assisted drug purchasing outweigh any possible cost-savings at this time.

During the course of research, the Comptroller identified a number of smaller steps that can be taken to reduce or maintain drug prices. The complete list of recommendations is available in Section VII of this report.

And finally, the Comptroller agrees with UConn Health's statement that while cost-savings strategies are important in regulating drug costs in the State, achieving better patient outcomes is key, in that a healthier population will yield long-term savings and benefits to the State.

SECTION II. BACKGROUND

On June 27, 2023, Governor Ned Lamont signed sweeping legislation on health care affordability with Public Act 23-171. Among its many provisions, Section 1(b) of the Public Act required the Office of the State Comptroller ("Comptroller") to study the feasibility of centralizing statewide contracts to consolidate the purchasing of prescription and physician-administered drugs by state agencies, state-operated local mental health authorities and other public entities. The Public Act directed the Comptroller to analyze and evaluate the potential cost savings, administrative feasibility and other benefits and risks of centralization and/or consolidation of contracts to determine whether any additional staff and resources would be required by the Comptroller to centrally procure and administer such contracts.

In order to gather data to evaluate these possibilities, the Public Act required each state agency, state hospital, state-operated local mental health authority and other public entity that procures prescription or physician-administered drugs to provide information regarding the types, amount, and cost of such drugs to the Comptroller by November 1, 2023.

And finally, the Public Act directed the Comptroller to submit a report regarding the findings of such study to the Governor and to the General Assembly in accordance with the provisions of the Connecticut General Statutes (C.G.S.) § 11-4a.

The Comptroller is particularly well-situated to evaluate other state agencies' processes and procedures to purchase prescription drugs because the Comptroller administers the largest public employer health plan in the state, serving approximately a quarter of a million people, including state employees and retirees, municipal workers, and their families and dependents. The Comptroller served as the interagency lead by initially requesting specific state agencies to provide information on the scope of their prescription and physician-administered drug utilization. These were the only agencies that stated they used pharmaceutical services or would be open to being a part of this evaluation process of consolidation. State-operated local mental health authorities were included under the Department of Mental Health and Addiction Services (DHMAS). Other entities excluded from research were the student health and wellness departments from the University of Connecticut and the Connecticut State Colleges and Universities System. The entities that contributed to this report's research include Department of Children and Families (DCF); Department of Correction (DOC); Department of Developmental Services (DDS);DHMAS, including Connecticut Valley Hospital (CVH); Department of Public Health (DPH); the Judicial branch; and the University of Connecticut Health Center (UConn Health) including John Dempsey Hospital (JDH). All of the named entities above responded to the Comptroller's announcement of a study to look for cost savings related to purchasing prescription drugs and these initial responses were critical in shaping the RFI. Information pertaining to the specific pharmaceutical needs of agencies and their corresponding facilities can be found within the RFI which is included as an exhibit in Section VII of this report.

Request for Information

On December 4, 2023, the Comptroller released the RFI entitled "Request for Information on the Statewide Purchasing of Prescription and Physician-Administered Drugs by State of Connecticut agencies, state hospitals, state-operated local mental health authorities, and other public entities." The RFI was publicly posted both on the statewide RFP board maintained by the Department of Administrative Service (DAS) and on the Comptroller's own website for vendors seeking RFPs[1]. The RFI was also directly emailed to a variety of non-profit groups, pharmaceutical vendors, health policy think tanks, and state agencies in an effect to solicit a wide range of opinions. Any person, group, business, organization, or combination thereof with relevant knowledge and/or expertise was welcome to respond to the RFI. Respondents did not need to be located in the State of Connecticut nor did they need to have an existing contract with any of the named entities. The complete RFI is included as an exhibit in Section VII of this report.

[1] https://osc.ct.gov/vendor/rfp.html

The stated purposes of the RFI were to:

A. Identify potential cost savings to the State of Connecticut (State) by consolidating drug purchasing, if any;

B. Determine the administrative feasibility to the State of consolidating drug purchasing;

C. Understand the overlap, if any, between prescription and physician-administered drugs purchased by state agencies, state hospitals, state-operated local mental health authorities and any other public entities and identify areas for improvement with pricing;

D. Determine, benefits and risks of centralizing and consolidating such contracts; and

E. Determine whether any additional staff and resources would be required by the Comptroller to centrally procure and administer such contracts.

Respondents to the RFI were asked to complete a non-disclosure agreement ("NDA") included in the RFI to access detailed information regarding the prescription and physician-administered drug needs of each public entity.

Variations in Pharmaceutical Needs

One of the key findings from the initial outreach to state agencies identified is that the entities included in the RFI have diverse pharmaceutical needs dependent on the patient/client populations they serve and the care models of corresponding facilities. The various types of facilities requiring pharmaceutical services as well as the total spend per fiscal year is illustrated in the table below. Residential treatment centers (RTC), a part of the Judicial Branch, refer to secure, community-based, short-term service centers for youth who have come in contact with the juvenile court system. Group homes, also referred to as Community Living Arrangements (CLAs), operated by the DDS offer individuals with developmental disabilities the opportunity to live in typical community housing. The DCF operates both psychiatric hospital and non-hospital psychiatric residential treatment facilities that offer inpatient clinical services in psychiatric, behavioral and emotional disorders. The Department of Public Health runs health centers/clinics to administer tuberculosis (TB) and sexually transmitted disease (STD) specific medications as well as continually purchases Narcan, a narcotic overdose antidote. The DHMAS operates residential facilities that administers comprehensive, recovery-oriented services in the areas of mental health and substance abuse prevention and treatment. The DOC requires patient-specific medications within thirteen (13) correction facilities, both jail and prison based. UConn Health utilizes a full-service pharmacy including John Dempsey Hospital and operates a specialty pharmacy and hemophilia treatment center.

State Agency/Public Entity	Total Spend Per FY	Types of Facilities
Judicial Branch	$116,990	Residential treatment centers
Department of Developmental Services	$170,282	Group homes or campuses
Department of Children and Families	$502,171	State-operated psychiatric residential treatment facilities and a psychiatric hospital for youth
Department of Public Health	$363,097	TB and STD health clinics and community purchasing of drug overdose antidote Narcan
Department of Mental Health and Addiction Services	$1,461,214	Mental health and addiction service residential facilities
Department of Correction	$29,204,217	Thirteen (13) correction facilities
University of Connecticut Health Center	$285,307,987	John Dempsey Hospital (JDH), full-service pharmacy, specialty pharmacy, hemophilia treatment center
Total	**$317,125,960**	

Existing Efforts to Reduce Costs

For procurement of prescription drugs and related materials and services, each agency stated that they already had a contract in place with a vendor able to meet their needs at the lowest cost. This type of vendor is typically a specialized for-profit third-party company that contracts with state agencies for the provision of pharmaceutical services, materials, and specialized consultation.

In addition to procurement contracts, some agencies indicated that they participate in programs that provide additional discounts in pharmaceutical procurement. These include Group Purchasing Organizations ("GPO") which are independent associations that use their collective buying power to obtain volume-based discounts from prescription drug vendors. A well-known example is the Minnesota Multistate Contracting Alliance for Pharmacy, which is a national cooperative GPO with a 50-state purchasing pool for non-Medicaid state and local government agencies that provide healthcare services.

To address Medicaid-focused purchasing pools, Connecticut also participates in the federal Top Dollar Program ("TOP$") that generates savings through the use of a Preferred Drug List ("PDL"). The Top$ program is a state Medicaid pharmaceutical purchasing pool which offers supplemental or additional rebates for medications by participating manufacturers. Additionally, the federal 340B Drug Pricing Program allows qualifying hospitals, such as John Dempsey Hospital, and certain clinics to buy outpatient prescription drugs at a discount. These federal programs have complex eligibility requirements which prevent most state agencies from participation.

Long-term care facilities, like group homes, as well as full-service pharmacies have greater predictability in their prescription drugs needs compared to entities with more emergent or fluctuating acute care populations. An agency like DPH has lower annual spending because of the specificity of medications purchased; for example, the purchasing of TB and STD specific medications only. In contrast, entities like UConn Health and DOC serve patient populations with more robust needs that require a complete stock of medications, including specialty drugs, and a wider scope of pharmaceutical services. UConn Health maintains a large portion of the total spending on prescription drugs due to having a full-service pharmacy, specialty pharmacy, and Hemophilia Treatment Center. The DOC must accommodate correction facilities that need a comprehensive stock of medications available for routine dispensing as well as in emergent situations that comply with correctional regulations.

SECTION III. GENERAL FINDINGS

The findings provided within this report focus on UConn Health and DOC as they make up the largest proportion of total spending on prescription and physician-assisted drugs. In addition, their RFI responses provided particularly useful analyses of the current state of affairs regarding the provision of prescription drugs and their utilization. These RFI submissions concerned the Department of Correction and UConn Health and were submitted by a for-profit Pharmacy Benefits Manager and a large state-funded healthcare institution. This report will analyze these two submissions as they provide real-world examples of the administrative feasibility and opportunity for cost savings through a centralized procurement or consolidation of purchasing of prescription drugs. However, both case studies also raise significant issues concerning the limitations of consolidating prescription drug purchasing and the difficulty in using a one-size-fits-all approach to procurement.

SECTION IV. POTENTIAL EFFICIENCIES AND COST-SAVINGS

Experience of UConn Health Center

In response to the RFI, UConn Health stated that administrative efficiencies must be evaluated on a site-by-site basis from supplier to patient or office, with consideration to each agency's own regulatory limitations. UConn Health suggested there may be an opportunity for a state-based standard formulary, though pointed out that different environments have different needs (long-term care vs. acute care vs. student infirmary). And UConn Health cautioned that while consolidation of distribution points and staff may reduce administrative costs, it may only be feasible in more stable and less emergent care models. The higher the predictability of pharmaceutical need the lower administrative costs. UConn Health recognized that Judicial and DHMAS, with fluctuating patient populations, have less predictable needs which have a greater impact on drug costs.

UConn Health noted that the State already receives rebates and discounts through the State of Connecticut's Medicaid Preferred Drug List (PDL) formulary through participation in the TOP$ program. In order to create the PDL formulary, DSS works with drug manufacturers to identify areas of cost-savings potential via rebates and lowered drug costs relative to market share. UConn Health suggests there might be other rebates and discounts that the State could qualify for that are not already offered to for-profit pharmacies. This outcome could be achieved through the creation of a new specialized formulary that could apply to select agencies with similar need(s). UConn Health states that optimization of cost savings for drug procurement, which would likely correlate to volume-based discounts from drug wholesalers, could be more accurately identified with data on current structure and workflows of agency locations, as well as individual agency requirements for timing, turn-around, and reporting requirements. That type of analysis may very well identify cost-savings opportunities but is beyond the scope of this report.

UConn Health also posited that the creation of a separate State formulary aligned with the Medicaid PDL might be an avenue for cost-savings by improving spending efficiency since some clients of State agencies are Medicaid/Medicare reimbursable. Again, this suggestion would only work where such a group formulary could prove beneficial and not to agencies that provide more acute care.

Cost savings through volume-based discounts can also come from a structure similar to a Group Purchasing Organization (GPO). The State could potentially create its own GPO and invite other institutions and/or states to participate. (Note: serval large GPOs already exist and some state agencies already participate, creating an additional GPO likely would not add additional value beyond what can already be accessed in the market today).

Though information on existing agency IT infrastructure was not included in the RFI, UConn Health indicated that a universal pharmaceutical ordering platform would be key to lowering costs under a single or consolidated purchasing agreement where all spend is aggregated.

UConn Health also identified smaller line-item agencies – Judicial, DDS, DPH, DCF – as having an annual combined drug-spend purchases of less than $1.2 million, where the clinical and supply levels of each agency require 24/7 staff availability and availability for full long-term care pharmaceutical consulting. Though the costs associated with these services was not captured in the RFI, there is an opportunity that these services could be bid out as a larger consulting service.

Experience of Diamond Pharmacy Services

Diamond Pharmacy Services Inc. ("Diamond") is the nation's largest provider of medication dispensing and pharmacy program management services to correctional institutions and has had a contract with the DOC to provide comprehensive pharmacy services to their corresponding facilities since September 2019. Following DOC's transition

from a contract with UConn Health System Pharmacy to Diamond resulted in significant cost-savings to the State. Initially, DOC was receiving patient specific medication in a 7-day supply and was reliant on emergency delivery from a courier service if any changes to patient regimens occurred. Changes of these regimens often resulted in excess waste because of the inability to send unused medications back to the supplier. With the transition to Diamond, DOC was able to avoid certain costs as a result of correctional specific formulary management, readily available operational and clinical consultants, substitutions of generic or brand name drugs, providing clients with true unit-dose blister card packaging with the highest allowable credits on returned medications eligible for reclamation, and the supply of medication carts to accommodate large supplies of patient-specific medications stored on-site.

Diamond does not believe the state will gain administrative efficiencies or lower administrative costs by including DOC in a centralized contract for medication purchasing because the State is not equipped to meet DOC's needs. The State would have to invest in learning all the details of supplying pharmaceuticals to jails and prisons and training staff to perform very specialized functions. Diamond states that the maintenance and enforcement of their correction specific formulary process provided a cost-avoidance of over $750,000 in the first 14-months that DOC was partnered with Diamond and can reduce expenditures up to 40% which is likely more than what can be realized through a centralized contract.

Diamond offered a scenario in which a centralized contract provided hypothetical cost savings of 2-3%. If DOC purchases are $29.2 million, a 3% savings would be approximately $876,000 annually on medication purchases. The hypothetical administrative costs associated with operating a centralized contract, which would include staffing, supply, inventory, and miscellaneous costs, as well as loss of current credit, would prove cost burdensome compared to the current cost of procurement for DOC. Diamond emphasizes that the combination of rebates, purchasing discounts, opportunity buys, and their tremendous purchasing power lowers upfront medication costs significantly. Additionally, Diamond is in the process of establishing a 340B program for correctional institutions, and already has access to products under the 340B program because of their unique position of having connections with stakeholders.

SECTION V. OTHER POTENTIAL RISKS AND BENEFITS

UConn Health Center

In UConn Health's opinion, consolidation or centralization of contracts through volume-based discounts for agencies of similar needs may risk a reduction in quality and timeliness of patient care, poor customer service for State agencies and their prescribers, as well as the potential for higher overall costs from a disconnect between centralized administration and agency subject matter specialists.
UConn Health offered several examples. If medications are not procured or delivered timely due to contract restrictions, a patient's health or life could be put at risk. If this patient is being cared for by the State, the State may then be held financially liable for any harm. Financial loss may also occur without harm if patients who are able to select their providers do not stay with a provider they feel is not responsive to their needs due to unnecessary restrictions or delays in care. Similarly, UConn Health's revenue from Medicare and private insurance payors depends on UConn Health's ability to procure the specific medications that are covered by each patient's insurance. If 340B medications are purchased against the wrong arm of a wholesaler contract, the result may be financial penalty and exposure to federal audit.

UConn Health continued that agencies are also likely to need personnel to manage inventory requests and receipts, as well as federally required Drug Supply Chain and Securities Act (DSCSA) documentation. A consolidated purchasing program would require a tiered work force that addresses all levels of affairs, including personnel within agency environments that hold the agency accountable for compliance. UConn Health stated that each component of the supply chain would need a detailed review to protect both the State and individual patients from risk of harm and non-compliance.

Diamond Pharmacy Services

Diamond stated that while it recognizes that a consolidated purchasing contract may result in bulk purchasing discounts, it may also limit the State's ability to negotiate individual terms for specific medications and opportunity buys. Centralization might also result in standardized medications that can compromise the unique and special medication needs of different agencies with fluctuating patient populations. A single buying contract may also simplify procurement processes and introduce delays or bottlenecks in decision-making. These delays in acquisition of medications might lead to lawsuits against the State that can negate any savings realized by centralized contracts.

Diamond continued that another concern is that reliance on a single supplier or contract may expose the agency to a higher risk of supply chain issues, whereas diversifying sources could provide a safety net in case of disruptions or shortages from that supplier. Additionally, a single supplier or contract may limit the State and individual agencies from adapting to changes in the pharmaceutical market. Using a single central pharmacy instead of a pharmacy with multiple locations would limit the ability to address crises in a timely and effective manner.

In its RFI submission, Diamond emphasized the need to maintain patient-centric in the midst of evaluating cost savings so that cost-effectiveness continually supports positive patient outcomes. Diamond summarized that it is important in considering the cost-savings among agencies, that the potential risks are carefully weighed against the benefits of centralized or consolidated pharmaceutical procurement.

SECTION VI. RECOMMENDATIONS

The common thread among the responses was that we need to do more exploration of potential cost savings and administrative feasibility. This report only begins to reveal the unique needs of various agencies and entities due to differences in patient/client populations and corresponding care models. As noted earlier, this report excluded a couple of large purchasers of prescription drugs as beyond the scope and there are other entities that were not captured within the reach of the RFI.

This report, however, identified several considerations of how centralization and consolidation of prescription drug procurement may produce cost-savings. The responses from UConn Health and Diamond Pharmacy provided the framework for recommendations and considerations for cost-savings and administrative feasibility of a consolidated or centralized contract, as well as potential limitations.

Moving forward the Office of the State Comptroller recommends reviewing opportunities, including:

- Individual agencies should investigate opportunities for participation in Group Purchasing Organizations for access to lower cost drugs.
- Require agencies with Medicaid-eligible clients to align their pharmaceutical purchasing as closely as possible with the Medicaid Preferred Drug List.
- Continue to track and report pharmaceutical spending
- Review opportunities for smaller agencies to purchase their required prescriptions through UConn Health Center, when feasible and appropriate, to benefit from their larger purchasing power and other discount purchasing efforts.

Potential savings associated with consolidation are limited primarily due to the concentration of pharmaceutical purchasing within just two agencies. As highlighted above, UConn Health accounts for 90% of total reported statewide pharmaceutical spend, while the DOC accounts for another 9% of spend, thus 99% of drug purchasing occurs within just two agencies. It is worth noting that historically, the DOC received its medical services, including prescription drug services and purchasing through UConn Health. However, the DOC was able to reduce its costs by contracting with a national vendor for pharmacy and medical services that specializes in servicing correctional institutions across the country.

While DOC was able to find lower cost purchasing options in the open market, the same may not be true for other agencies with much smaller annual drug spends. For example, the Department of Public Health currently fills some of its purchasing needs through an agreement with UConn Health. Other agencies with a limited total drug spend should examine the cost and opportunity to do the same. Agencies should compare the costs to their current vendor to determine if savings are achievable, weighing those savings against any potential risks or administrative challenges associated with changing their purchasing practices. Due to the limited impact that any such purchasing agreement between UConn Health and another state agency would have on the overall drug spend, it is unlikely that such an arrangement would provide cost savings for UConn Health. The likely opportunity for savings is in the hundreds of thousands of dollars, a small fraction the state spends annually on prescription drug costs, and could be offset by the cost burdens of implementing a different procurement structure.

While it is worthwhile to pursue such a savings under the existing purchasing structure within agencies, such a limited savings would not justify the cost of developing a new centralized administrative infrastructure to centrally manage drug purchases across agencies. Still, purchasing through UConn Health for some agencies may provide a savings opportunity and should be explored.

REQUEST FOR INFORMATION

On the Statewide Purchasing of Prescription and Physician-Administered Drugs by State of Connecticut agencies, state hospitals, state-operated local mental health authorities, and other public entities.

RELEASED BY:

OFFICE *of the* STATE COMPTROLLER

DECEMBER 4, 2023

TABLE OF CONTENTS

SECTION 1. INTRODUCTION AND PURPOSE OF THE REQUEST FOR INFORMATION (RFI)

Public Act 23-171, Section 1 (b), requires the Office of the State Comptroller (Comptroller) to study the feasibility of centralizing statewide contracts to consolidate the purchasing of prescription and physician-administered drugs by state agencies, state hospitals, state-operated local mental health authorities and other public entities. The Comptroller must analyze and evaluate the potential cost savings, administrative feasibility and other benefits and risks of centralizing and consolidating contracts and must determine whether any additional staff and resources would be required by the Comptroller to centrally procure and administer such contracts.

Public Act 23-171 further provides that each state agency, state hospital, state-operated local mental health authority and other public entity, as necessary, that procures prescription or physician-administered drugs shall provide information regarding the types, amount, and cost of such drugs to the Comptroller, in a form and manner prescribed by the Comptroller. And not later than February 1, 2024, the Comptroller must submit a report regarding the findings of such study to the Governor and to the General Assembly in accordance with the provisions of the Connecticut General Statutes (C.G.S.) §11-4a.

The purposes of issuing this RFI are to:

A. Identify potential cost savings to the State of Connecticut (State) by consolidating drug purchasing, if any;

B. Determine the administrative feasibility to the State of consolidating drug purchasing;

C. Understand the overlap, if any, between prescription and physician-administered drugs purchased by state agencies, state hospitals, state-operated local mental health authorities and any other public entities and identify areas for improvement with pricing;

D. Determine, benefits and risks of centralizing and consolidating such contracts; and

E. Determine whether any additional staff and resources would be required by the Comptroller to centrally procure and administer such contracts.

Respondents are asked to review the information below regarding the prescription and physician-administered drug needs of each public entity. A link to the full electronic version of this RFI, any amendments and/or additional related information is available on the Comptroller's website at: https://osc.ct.gov/vendor/rfp.html

SECTION 2: CONFIDENTIALITY

The Respondent understands that due regard will be given to the protection of proprietary or confidential information contained in all responses received. However, Respondents should be aware that all materials associated with this Request for Information (RFI) are subject to the terms of the Connecticut Freedom of Information Act (FOIA) and all corresponding rules, regulations, and interpretations. It will not be sufficient for Respondents to merely state generally that the response is proprietary or confidential in nature and, therefore, not subject to release to third parties. Those particular sentences, paragraphs, pages, or sections that a Respondent believes to be exempt from disclosure under FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption, consistent with C.G.S. §1-210(b), as amended from time to time, must accompany the submission. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Respondent that would result if the identified material were to be released and the reasons why the materials are legally exempt from release. The State has no obligation to initiate, prosecute, or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. Respondents have the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue before the appropriate tribunal. The State shall have no liability for the disclosure of any documents or information in its possession which the State believes are required to be disclosed pursuant to the FOIA or other requirements of law.

SECTION 3: SCOPE

This Request for Information (RFI) is not a Request for Proposals (RFP) and should not be construed as such. The State is not soliciting offers to enter into a contractual agreement. The objective of this RFI is to obtain specific information regarding the feasibility of centralizing statewide contracts to consolidate the purchasing of prescription and physician-administered drugs by state agencies, state hospitals, state-operated local mental health authorities and other public entities as detailed in Section 6: Background and Summary of Requested Information.

SECTION 4: DEFINITIONS

"Drug" means (A) an article recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States or official National Formulary, or any supplement to any of them, (B) an article intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in humans or other animals, (C) an article, other than food, intended to affect the structure or any function of the body of humans or any other animal, and (D) an article intended for use as a component of any article specified in this subdivision, but does not include a device.

"Institutional pharmacy" means that area within a care-giving institution or within a correctional or juvenile training institution, commonly known as the pharmacy, that is under the direct charge of a pharmacist and in which drugs are stored and dispensed.

"Legend drug" means a drug that is required by any applicable federal or state law to be dispensed pursuant only to a prescription or is restricted to use by prescribing practitioners only, or means a drug that, under federal law, is required to bear either of the following legends: (A) "RX ONLY" IN ACCORDANCE WITH GUIDELINES ESTABLISHED IN THE FEDERAL FOOD, DRUG AND COSMETIC ACT; or (B) "CAUTION: FEDERAL LAW RESTRICTS THIS DRUG FOR USE BY OR ON THE ORDER OF A LICENSED VETERINARIAN."

"Mail Order pharmacy" or "nonresident pharmacy" means any pharmacy located outside the state of Connecticut that ships, mails or delivers, in any manner, legend devices or legend drugs into this state pursuant to a prescription order.

"Pharmacy" means a place of business where drugs and devices may be sold at retail and for which a pharmacy license has been issued to an applicant under the provisions of C.G.S. §20-594.

"Pharmacy benefits manager" (PBM) means any person that administers the prescription drug, prescription device, pharmacist services or prescription drug and device and pharmacist services portion of a health benefit plan on behalf of plan sponsors such as self-insured employers, insurance companies, labor unions and health care centers.

"Pharmacy services" includes (A) drug therapy and other patient care services provided by a licensed pharmacist intended to achieve outcomes related to the cure or prevention of a disease, elimination or reduction of a patient's symptoms, and (B) education or intervention by a licensed pharmacist intended to arrest or slow a disease process.

"Prescription" means a lawful order of a prescribing practitioner transmitted either orally, in writing or by electronic means for a drug or device for a specific patient.

"Specialty pharmacy" means a pharmacy that provides medications for complex and chronic conditions that require specialized care and management.

"State-Operated Local Mental Health Authorities" (LMHAs) are facilities funded and/or operated by DMHAS that offer therapeutic programs and crisis intervention services to adult citizens with mental disorders who lack financial means to secure such services in the private sector. LMHAs are operated throughout DMAHS's five administrative regions of the State.

SECTION 5: RFI SUBMISSION INSTRUCTIONS AND RESPONSE FORMAT

The timeframe for the RFI is as follows:

RFI Issue Date	December 4, 2023
Deadline for Questions	December 13, 2023, by 2:00 PM ET
Answers to Questions Released	December 15, 2023, by 2:00 PM ET
RFI Response Due Date Earlier submissions welcome!	December 29, 2023, by 2:00 PM ET Earlier submissions welcome!

How to Submit Responses to this RFI:

To answer this RFI follow the format instructions in Section 8: Response Format. Respondents are asked to respond to sections in which the organization has relevant experience. Respondents are not required to submit responses to all categories. The answers to this RFI will be reviewed by the Comptroller's Office and different departments in State government that utilize prescription and physician-administered drugs including: Department of Children and Families (DCF), Department of Correction (DOC), Department of Developmental Services (DDS), Department of Mental Health and Addiction Services (DMHAS) including Connecticut Valley Hospital (CVH), Department of Public Health (DPH), the CT Judicial Branch (Judicial), and the University of Connecticut (UConn) including John Dempsey Hospital (JDH). Current detailed prescription drug utilization data broken down by state agency is available to interested Respondents provided that they complete and submit the Non-Disclosure Agreement (NDA) which is available in Section 9 of this RFI.

Written responses to this RFI must be received by the Official State Contact Person no later than **2:00 p.m. ET on December 29, 2023**.

Respondents are asked to respond to the RFI by email to the Official State Contact Person with both a Word document and a document in PDF format. Additionally, responses should be:

- Formatted as directed in Section 8 of this RFI. (If a particular service area is not applicable to your organization, please enter "N/A".)
- Double-spaced in at least 11-point font.
- Include a Table of Contents and number the pages.
- Include a cover sheet specifying: Respondent's full business name, address of its primary place of business, its corporate status (e.g., 501(c)(3), partnership, LLC), telephone number, contact person, and e-mail address.

Official State Contact Person

The Official State Contact Person is available to answer questions and provide information regarding the RFI process, including the need for Respondents to complete and submit a non-disclosure agreement (NDA) if they wish to review current detailed prescription drug utilization data broken down by state agency. Written questions from Respondents must be submitted in writing **no later than 2:00 p.m. ET on December 13, 2023** by email, with the subject line "Prescription Drug Consolidation RFI Questions" and addressed to: OSC.DrugConsolidationRFI@ct.gov.

SECTION 6: BACKGROUND AND SUMMARY OF REQUESTED INFORMATION

About the Office of the State Comptroller (Comptroller)

It is in the capacity of interagency leadership that OSC is issuing this RFI regarding the purchasing of prescription and physician-administered drugs by several State agencies, State hospitals, State-operated local mental health authorities and other entities including DCF, DOC, DDS, DMHAS including CVH, DPH, DRS, DSS, Judicial, and UConn including JDH.

The Office of the State Comptroller administers benefits programs for all state employees, retirees, and their families. The largest programs are the medical, pharmacy, and dental benefit programs covering over 250,000 lives. The Healthcare Policy & Benefits Division of the Office of the State Comptroller is responsible for the contract procurement, administration, and evaluation of these programs.

About the State Entities Providing Prescription and Physician-Administered Drugs

Department of Children and Families

The Department of Children and Families (DCF) utilizes pharmaceutical services at state-operated psychiatric residential treatment facilities and the psychiatric hospital for youth. The location of these facilities are listed below. An overview of pharmaceutical services needed at these facilities are as follows: Pharmaceutical Consultant Services, over the counter (OTC) products, sundry items, and training to Client Agencies. The specific needs of each location vary, some in need of full-service pharmaceutical products and services and others with limited needs.

The approximate total spending for one fiscal year is approximately $502,172.

DCF locations services include:

Albert J. Solnitt Children's Center Hospital and PRTF South (7 individual units)
915 River Road
Middletown, CT 06457
(3 Psychiatric Residential Treatment Facility Units)
PRTF - Lakota, Quinnipiac, Kiwani
(4 Hospital)
Passaic, Sachem, Manhasset & Acadia

Albert J. Solnit Children's Center – PRTF North (3 individual units)
36 Gardner Street
East Windsor, CT 06088
(3 Psychiatric Residential Treatment Facility Units)
PRTF – Spruce, Oak, Maple

Department of Correction

The Department of Correction (DOC) utilizes pharmaceutical services including the fulfillment of prescription orders throughout thirteen (13) facilities in the State of Connecticut. Given its unique clinical setting, DOC relies on a vendor that has experience in providing pharmaceuticals and pharmacy services in both jail and prison-based correctional facilities. DOC contracts pharmacy services to include Clinical Pharmacy support, pharmacist consulting on individual patient cases, formulary development and management, regular participation in the Pharmaceutical and Therapeutic (P&T) Committee meetings that review and revise agency formulary, pharmacy monitoring and compliance, internal and external reporting, medication room inspection, clinical update presentations; quality improvement reports at the patient, provider, facility, and agency levels; and presentations on clinical guidelines and best practice updates; and benchmarking with other correctional agencies and pharmacy order processing and fulfillment complete with

direct shipment to each DOC facility. The DOC gets a small amount of stock medications and a large amount of patient specific medications from a correction-specialized pharmacy delivered to each facility through an electronic prescribing system via specialized interface within the agency's EHR that automatically synchronizes with the patient's drug list and the electronic Medication Administration Record. This arrangement includes, and is tied to, clinical pharmacy services. Types of medications utilized by DOC include; oral solid medications, True Unit-Dose Blister Cards, Discharge Medications, OTC Medications, Liquid Medications, Eardrops and liquids, Creams and Ointments, Compounded IV Mixtures, Total Parenteral Nutrition (TPN) Products, Non-Sterile Compounded Medications, Specialty Pharmaceutical Items, Durable Medical Equipment (DME) and Medical Supplies, and Controlled Substance Medications.

While other clinical settings may offset their pharmaceutical costs by billing reimbursement and/or patient copays, especially for higher cost medicines, this is not the case for DOC. Moreover, DOC has a constitutional mandate to provide medically necessary care to its patient population, including primary and specialty care.

The average total spending for one fiscal year is approximately $29,204,217.

Department of Correction Facilities:
CTYK - York Correctional Institution
CTWL - Willard Correctional Institution
CTWA - Walker Correctional Institution
CTOS - Osborn Correctional Institution
CTNH – New Haven Correctional Center
CTMN – Manson Youth Institution
CTMD – MacDougall Correctional Institution
CTHT – Hartford Correctional Center
CTGA – Garner Correctional Institution
CTCY – Cybulski Correctional Institution
CTCR – Carl Robinson Correctional Institution
CTCO – Corrigan Correctional Center
CTCH – Cheshire Correctional Institution
CTBP – Bridgeport Correctional Center
CTBK – Brooklyn Correctional Institution

Department of Developmental Services

The Department of Development Services utilizes pharmaceutical services within group homes or campuses by region across the state; North, South, and West. These include Fairfield, Litchfield, Middlesex, New Haven, New London, Hartford, Windham, and Tolland Counties as well as Southbury Training School (STS). The pharmaceutical provider is responsible for providing pharmacy services to all DDS locations statewide to include brand name and generic medications, Pharmaceutical Consultant Services and Over the Counter (OTC) products for all DDS locations. Individuals who pay for their own OTCs are still ordered through the same pharmacy to prevent polypharmacy. DDS requires IV certification for DDS nurses and IV Therapy for DDS Individuals. Both IV certification and IV Therapy must be provided by contracted vendor and cannot be subcontracted out as stated within General Statutes Title 19a-Public Health and Well-Being, Chapter 368v-Health Care Institutions Section 19a-522f. To perform any type of Intravenous Services, nurses must be certified through one Intravenous Organization (pharmacy) that can also provide I.V. Policy and Procedures Manual due to the nature of potential dangers/harm that can occur during administration of IV Fluids and IV Medications as well as insertion of intravenous lines. This IV Policy and Procedure manual must be adopted under the specific DDS/ICF site to be incorporated in Nursing DDS Policy and Procedures to provide this service legally as well as keep within the DPH/ICF regulations. It is crucial that the pharmacy have all the individual's medication profiles for safety reasons. The company or Pharmacy must provide on-going training and continually

monitor drug Interactions/drug allergies which are the most crucial. Contracted Pharmacy will have all individual's medication profiles therefore will catch a drug interaction before the IV Medication is delivered. The contracted pharmacy must also have a qualified educator through the organization educated in teaching Intravenous Certification to nurses who will be providing these services. All nurses must have certification from that specific organization/ Pharmacy. The pharmacy must also have an on call Intravenous Registered Nurse, MSN with specialized IV schooling that can come to facility and start bedside mid-lines and/or peripheral IV lines on elderly individuals who are extremely difficult to start lines on due to age and lifelong medications that have ruined their veins. This service and the above stated services are crucial to the health of our individuals needing/requiring any type of Intravenous therapy. Intravenous certification to attending nurses at site specific facility cannot carry this certification from facility to facility unless certified by exact company/pharmacy. The pharmacy must provide yearly refresher at the minimum. The contracted pharmacy must include Intravenous medication administration records, IV electronic pumps, IV medications and fluids, and all associated Intravenous Supplies needed to start and maintain Intravenous line and therapy.

The average total spending for one fiscal year is approximately $170,282.

Department of Mental Health and Addiction Services

The Department of Mental Health and Addiction Services provides pharmaceutical services to a variety of mental health and addiction service facilities around the state, these facilities are listed below. The pharmaceutical needs of each facility vary from minimal purchasing to daily purchasing for both inpatients and outpatients. An overview of pharmaceutical services needed at these facilities are as follows: Medications without NADAC pricing, Over the Counter (OTC) Medications, Sundry Items, Contractor Consultant Pharmacist, Individual patient drug regimen reviews.

The average total spending for one fiscal year is approximately $1,461,214.

Department of Mental Health and Addiction Services Facilities:

Connecticut Mental Health Center
34 Park Street, New Haven, CT

Western Connecticut Mental Health Network
95 Thomaston Avenue, Waterbury, CT

Capitol Region Mental Health Center
500 Vine Street, Hartford, CT

Southwest Community Mental Health System
97 Middle Street, Bridgeport, CT

Whiting Forensic Hospital
70 Obrien Drive, Middletown, CT

River Valley Services
351 Silver Street, Middletown, CT

Southeastern Mental Health Authority
401 W Thames Street, Norwich, CT

Connecticut Valley Hospital
1000 Silver Street, Middletown, CT

Department of Public Health

The Department of Public Health (DPH) supplies pharmaceutical services to support tuberculosis (TB) and sexually transmitted disease (STD) health programs as well as the purchasing of Narcan. These programs require services to accommodate purchasing, inventory management, and expiration management of required medications. DPH works to identify the least expensive medications which are assigned a "purchase order" number that then gets sent to a pharmaceutical distributor. Types of medications include antifungal, antibiotics, immune response modifiers, local anesthetics, anti-tuberculosis specific antibiotics, and Narcan. DPH is also working toward a Memorandum of Agreement (MOA) for TB and STD medication purchasing and dispensing with UConn Health that is not yet in place but tentatively planned to start early next year (2024).

The approximate total spending for one fiscal year is $363,097, or about $99,936 for STD Programs, $134,062 for TB Programs, and $129,099 for purchasing Narcan.

Judicial Branch

The Judicial Branch and its programs run twenty-four-hour operations and require services of a pharmacy with availability 24 hours per day, 7 days per week, including holidays. This pharmacy must include STAT deliveries. The pharmacy must also deliver medications prior to the next scheduled dose and obtain medications that are not commonly stocked in a timely manner.

The contractor must also provide a licensed pharmacist for inspections, audits, and consultations which shall occur at each facility adhering to the following schedule:

1. At the commencement of the contract.
2. Quarterly at a scheduled mutually agreed upon by CSSD and the contractor.
3. At the request of the CSSD Responsible Health Authority (RHA).

Each inspection must generate a report on findings to be sent to the CSSD RHA. The contractor must also provide a licensed pharmacist to participate in statewide quarterly Continuous Quality Improvement (CQI) meetings, a pharmacy representative to attend and participate in the monthly facility based CQI meetings, and a licensed pharmacist, or other pharmacy representatives for, at a minimum, annual in-service or staff training in the use of pharmaceuticals, or upon the request of the RHA. The contractor shall assist in the development and subsequent updating of a statewide formulary and abide by and participate in the development and ongoing review of Judicial Branch CSSD policy, procedures and clinical protocols on the delivery, storage, and administration, monitoring, use, reimbursement, disposal and return of pharmaceuticals. The contractor will also assist CSSD in the continuation of the Department of Consumer Protection authorized drug return policy and provide statistical data including utilization by medication name, category and prescriber, financial data, reimbursement, and audit reports at the request of the RHA. The contractor shall have the capacity to accept both secure fax mediation orders as well as electronic medication administration orders if CSSD decides that electronic submission at both Bridgeport and Hartford Juvenile Detention Centers is the preferable mode.

The approximate total spending for one fiscal year is $117,478.

Judicial Service Locations

Juvenile Residential Center at Bridgeport
60 Housatonic Avenue, Bridgeport 06604

Juvenile Residential Center at Hartford
920 Broad Street, Hartford 06106

University of Connecticut Health Center

The University of Connecticut (UConn) Health Center utilizes a full-service pharmacy and pharmaceutical services. UConn Health participates in Group Purchasing Cooperative and procures both high-cost and limited distribution drugs (LDD), both through consignment (hospital side) and with direct manufacturer agreements (hospital and specialty pharmacy side). UConn Health is also a 340B space, as a Disproportionate Share Hospital (DSH) and with their own contracted pharmacy (UConn Health Pharmacy Services, Inc. – UHPSI). Within this realm, there is also contract agreements for Ryan White (RWI) entities (2) and as a Hemophilia Treatment Center (HTC) (1) and buy drugs through/for both via a ship-to-bill-to method and using a virtual accumulator.

The average total spending for one fiscal year is approximately $285,307,987.

The above State entities currently contract with several types of organizations including wholesalers, distributors, pharmacy service providers, and pharmacy benefit managers. Some state entities competitively bid separately for prescription and physician-administered drugs while others enter into a joint contract through the Department of Administrative Services (DAS). State entities may hold one or more contracts with the various vendors selected via the competitive bidding process.

Current vendors provide a range of services in the following categories:

- Managing individual budgets;
- Claims processing;
- Mail Order Pharmacy services;
- Specialty Pharmacy services;
- Pharmacy duties

Current Prescription and Physician-Administered Drug Spending in the State of Connecticut

Current spending by the State entities described above is summarized as follows:

Agency	Total Spend Per FY
Judicial Branch	$116,990.00
Department of Developmental Services	$170,282.45
Department of Children and Families	$502,171.51
Department of Public Health	$363,097.00
Department of Mental Health and Addiction Services	$1,461,214.98
Department of Correction	$29,204,217.21
University of Connecticut Health Center	$285,307,987.10
Total	**$317,125,960.25**

Current detailed prescription drug utilization data broken down by state agency is available to interested Respondents provided that they complete and submit the Non-Disclosure Agreement (NDA) which is available in Section 9 of this RFI.

Statement of Need

The State is seeking information on the manner and extent of purchasing of prescription and physician-administered drugs by State agencies, State hospitals, State-operated local mental health authorities and other public entities. The State is currently exploring the possibility of streamlining the purchasing of prescription and physician-administered drugs by issuing one, statewide RFP rather than the existing practice of various State entities issuing separate RFPs, operating on different bidding schedules, and requesting redundant information from Respondents. Development of one, consolidated RFP is being considered as a means to increase the efficiency of the bidding process and decrease costs for the State.

The information provided in this RFI may help to inform an upcoming RFP for statewide purchasing of prescription and physician-administered drugs.

Requirements

Respondents are asked to provide details related to their existing contracts with any and all of the State entities named for the provision of prescription and physician-administered drugs, if applicable. Additionally, Respondents are asked to provide information concerning their experience providing services in the following categories as detailed in Section 6 of this RFI.

- Managing individual budgets;
- Claims processing;
- Mail Order Pharmacy services;
- Specialty Pharmacy services;
- Other prescription and physician-administered drug activities

Qualifications for Respondents

Any person, group, business, organization, or combination thereof with relevant knowledge and/or expertise is welcome to respond. Respondents do not need to be located in the State of Connecticut. Respondents do not need to currently have an existing contract with any of the above-named State entities.

SECTION 7: INFORMATION REQUESTED

The State is particularly interested in creative and innovative approaches to providing prescription and physician-administered drugs to multiple State entities. The State is also seeking models that capitalize on modern, flexible, technological solutions that efficiently handle the provision of prescription and physician-administered drugs for continually evolving State entities.

Respondents are encouraged to provide the State with proposed methods, strategies, and practices to provide prescription and physician-administered drugs in all of the areas below, or in specific areas where the Respondent has particular experience or knowledge. The State is open to the provision of these services by two or more organizations that meet the needs of multiple State entities, as long as the services are well coordinated and cost efficient.

Respondents may choose to respond to all topics or only those that relate to the Respondent's particular experience and knowledge. Respondents should respond in a topic-by-topic manner (e.g., in an issue/response format) following the numbering of the RFI inquiries. Please indicate "N/A" under any topic area that is not applicable.

Please provide answers to the following questions:

1. Is there a way(s) for the State to provide administrative efficiencies or lower administrative costs while still meeting existing prescription and physician-administered drug needs? Please consider technological or innovative opportunities.

2. Would a statewide, regional or local approach or some combination be the best option to provide administrative efficiencies and/or lower administrative costs? What is the feasibility of the chosen approach?
3. Please identify any potential cost savings to the State by consolidating purchasing of prescription drugs and/or physician-administrated drugs.
4. How could the State qualify for additional discounts and/or lower administrative costs if the contracts for services were combined across multiple agencies, across a region, across the State? Please describe how and why costs would be lower.
5. Please describe any possible benefits and/or risks of centralizing and consolidating contracts for the purchase of prescription and physician-administered drugs.
6. Please estimate how many additional staff and other resources would be required by the Comptroller to centrally procure and administer such contracts.
7. Recognizing the diverse mix of clients that state agencies service, how do patient outcomes and success get measured under a consolidated pharmaceutical purchasing program?
8. How does regulatory compliance and oversight get handled under a consolidated pharmaceutical program?
9. How does existing agency IT infrastructure, including electronic health record systems, get utilized to support a consolidated pharmaceutical purchasing program or does it require new IT systems, data management, and centralization?
10. Some clients of state agencies are Medicaid/Medicare reimbursable, and some are not – how does this impact procurement?
11. Please provide any examples where your organization has provided services for entities with complex needs across multiple entities, for example a state or municipality. How would the centralization of services help to reduce costs or improve administrative efficiency from your perspective as a vendor?
12. Please provide any additional recommendations the state should consider to reduce costs or improve administrative efficiency.

SECTION 8: RESPONSE FORMAT

Instructions

Respondents should submit their answers using this format. Please insert the question next to the appropriate number and provide your response directly after. Be sure to follow all response and formatting instructions specified in Section 5 of this RFI. Please clearly indicate if a Respondent's submission includes current detailed prescription drug utilization data which was received pursuant to a Non-Disclosure Agreement (NDA). Pertinent sections of submissions referencing such proprietary data will need to be marked as confidential and be exempted from release under the FOIA in accordance with C.G.S. §1-210-(b) and Section 2 of this RFI.

Question 1. Is there a way(s) for the State to provide administrative efficiencies or lower administrative costs while still meeting existing prescription and physician-administered drug needs? Please consider technological or innovative opportunities.

Response 1. Enter response here or N/A.

Question 2. Would a statewide, regional or local approach or some combination be the best option to provide administrative efficiencies and/or lower administrative costs? What is the feasibility of the chosen approach?

Response 2. Enter response here.

Question 3. Please identify any potential cost savings to the State by consolidating purchasing of prescription drugs and/or physician-administrated drugs.

Response 3. Enter response here.

SECTION 9: NON-DISCLOSURE AGREEMENT

Current detailed prescription drug utilization data broken down by state agency is available to interested Respondents provided that they complete and submit the following Non-Disclosure Agreement (NDA) by email to the Official State Contact Person at OSC.DrugConsolidationRFI@ct.gov.

NON-DISCLOSURE AGREEMENT

This Non-disclosure Agreement (the "Agreement") is entered into by and between the State of Connecticut, Office of the State Comptroller ("Comptroller" or "Disclosing Party") with its principal offices at 165 Capitol Avenue, Hartford, Connecticut, and _____, located at _____ _____ ("RFI Respondent" or "Receiving Party") for the purpose of preventing the unauthorized disclosure of Confidential Information as defined below. The Receiving Party is a Respondent to a Request for Information for Drug Purchasing Consolidation issued by the Comptroller on or about November 29, 2023 ("RFI"). The parties agree to enter into a confidential relationship with respect to the disclosure of certain proprietary and confidential information ("Confidential Information"). Accordingly, RFI Respondent and Comptroller agree as follows:

1. **Definition of Confidential Information.** For purposes of this Agreement, "Confidential Information" includes all information or material that has or could have commercial value or other utility in the work in which Disclosing Party or Receiving Party is engaged. If Confidential Information is in written form, the Disclosing Party will label or stamp the materials with the word "Confidential".

2. **Exclusions from Confidential Information.** Receiving Party's obligations under this Agreement do not extend to information that is: (a) publicly known at the time of disclosure or subsequently becomes publicly known through no fault of the Receiving Party; (b) discovered or created by the Receiving Party before disclosure by Disclosing Party; (c) learned by the Receiving Party through legitimate means other than from the Disclosing Party or Disclosing Party's representatives; or (d) is disclosed by Receiving Party with Disclosing Party's prior written approval.

3. **Obligations of Receiving Party.** Receiving Party shall hold and maintain the Confidential Information in strictest confidence for the sole and exclusive benefit of the Disclosing Party. Receiving Party shall carefully restrict access to Confidential Information to themselves, employees, contractors and third parties as is reasonably required and shall require those persons to sign nondisclosure restrictions at least as protective as those in this Agreement. Receiving Party shall not, without the prior written approval of Disclosing Party, use for Receiving Party's own benefit, publish, copy, or otherwise disclose to others, or permit the use by others for their benefit or to the detriment of Disclosing Party, any Confidential Information. Receiving Party shall return to Disclosing Party any and all records, notes, and other written, printed, or tangible materials or certify the destruction and discarding of any and all electronic materials in its possession pertaining to Confidential Information immediately if Disclosing Party so requests in writing.

4. **Time Periods.** The non-disclosure provisions of this Agreement shall survive the termination of this Agreement and Receiving Party's duty to hold Confidential Information in confidence shall remain in effect until the Confidential Information no longer qualifies as a trade secret or until Disclosing Party sends Receiving Party written notice releasing Receiving Party from this Agreement, whichever occurs first.

5. **Severability.** If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as to best to effect the intent of the parties.

6. **Integration.** This Agreement expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations, and understandings. This Agreement may not be amended except in a writing signed by both parties.

7. **Waiver.** The failure to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.

This Agreement and each party's obligations shall be binding on the representatives, assigns and successors of such party. Each party has signed this Agreement through its authorized representative.

Office of the State Comptroller (**DISCLOSING PARTY**)

Signature By: _____
Printed Name _____
Organization/Title: _____
Date: _____

RFI Respondent (**RECEIVING PARTY**)

Signature By: _____
Printed Name _____
Organization/Title: _____
Date: _____