

Iowa Department of Human Services

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

Jerry R. Foxhoven
Director

MENTAL HEALTH INSTITUTE INDEPENDENCE, IOWA

September 26, 2018

Janet Phipps, Director
Department of Administrative Services
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319

Waiver approved for the period requested
/s/ Janet E. Phipps
09/27/2018

Re: Extension to contract. Contract duration 7-1-18 / 12-31-18.

Dear Director Phipps:

The Department of Human Services (DHS) is seeking a waiver to extend contract IN-19-004 from 7-01-18 / 12-31-18. This contract provides pharmacy management services and medications to patients at the Independence Mental Health Institute (IMHI).

Background:

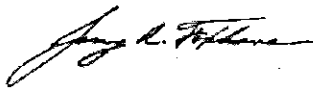
- IMHI had competitively procured a pharmacy management service agreement, IN-13-001, with Pharmacy Healthcare Solutions (PHS). This agreement began on 3/1/13.
- PHS obtains medication and dispenses medication according to doctor's orders and the rules and regulations of state and federal regulators. PHS has a license authorized by the State Board of Pharmacy to operate a pharmacy on the IMHI campus.
- IN-13-001, a six-year contract to provide these services, expired 6/30/18.
- Prior to the expiration date, IMHI issued an RFP to competitively procure for a new service contract. One vendor, the incumbent, submitted a bid. Bid was reviewed, evaluated, and accepted.
- Parties have been actively negotiating a new contract since 5/11/18, but did not finalize legal language in regard to terms and conditions prior to the 7/1/18 start date. An emergency procurement and subsequent contract was authorized by the DHS Director. IN-19-004 was executed for a three-month term (7/1/18 – 9/30/18) to maintain these critical services.
- During the last three months, several areas of negotiation have been reduced to one remaining item: legal liability and/or limitations with the vendor. IMHI is using legal counsel from the Attorney General's office in these negotiations. The parties will not be able to resolve this issue prior to the 9/30/18 expiration of the current contract.
- An amendment to extend the contract through 12-31-18 is required to maintain existing services while final negotiations are completed for the new contract.

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DHS is requesting a six-month (7/1/18 -12/31/18) waiver so that IMHI can continue receiving pharmacy services and medications for patients. During the three-month period (10/1/18 – 12/31/18), IMHI anticipates finalizing the terms and conditions of the new contract with the vendor.

DHS respectfully requests a waiver to extend the contract for the requested period. We appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry R. Foxhoven". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jerry R. Foxhoven
Director

cc: Bhasker J. Dave, M.D., D.L.F.A.P.A.
Kevin Jimmerson, M.B.A.