

ATTACHMENT C

ARKANSAS DEPARTMENT OF HUMAN SERVICES PERFORMANCE-BASED CONTRACTING

Pursuant to Arkansas Code Annotated 19-11-1010 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract:

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. The State shall have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the vendor so as to establish standards that are reasonably achievable.
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>A. Scope of Work</p> <ol style="list-style-type: none"> 1. The Vendor shall utilize a blister pack system for unit dose delivery of medications drug dispensing. This is for both prescription and over-the-counter medications. The vendor shall provide information on situations when it is anticipated that blister packs cannot be used. 2. Contractor shall have the Medication Administration Record (MAR) computerized system in place and it shall be readily available and capable of providing and maintaining drug profiles on individual clients for medical staff, consulting pharmacists, and the regulatory agency. The MAR computerized system shall allow for an effective interface between the staff of various medical facilities and with the Contractor. This computerized system must be responsive to medical staff and Pharmacist needs while adhering to the regulations for protection of patient privacy, including without limitation the Health Insurance Portability and Accountability Act (HIPAA). 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>The Arkansas Department of Human Services (DHS) reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file, and contract termination.</p>
<p>B. Ordering and Delivery</p> <ol style="list-style-type: none"> 1. The Vendor must be able to monitor the ordering and receiving of medications to ensure they are ordered timely and are received from the pharmacy accurately and 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>DHS reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file,</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>timely.</p> <p>2. The Vendor shall ensure pharmacy services are available twenty-four (24) hours per day, seven (7) days per week for urgent and emergency medication orders. This shall include back-up plans for urgent/emergency drug delivery in the event of hazardous road conditions or after hours' drug delivery.</p> <p>3. Non-cycle refill requests in morning shall be delivered that same day.</p> <p>4. New orders shall be delivered on the same day as ordered. These orders must be delivered as soon as possible on the order's next scheduled med pass.</p> <p>5. To accommodate non-cycle refills, new orders and the current Human Development Center (HDC) nursing schedules, the first daily delivery must occur not later than 2:00 p.m. CT.</p> <p>6. Late morning and afternoon new orders or refill request that are needed that day shall be delivered in an evening delivery that meets Long Term Care (LTC) guidelines for a next med pass start, no later than 7:00 to 7:30 p.m. CT, to accommodate med pass schedules.</p> <p>7. The Vendor must have the ability to provide for stat or now orders in a</p>		<p>and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>manner that meets Long Term Care (LTC) guidelines, twenty-four (24) hours, seven (7) days a week.</p> <p>8. The Vendor must be able to provide routine checking of medication lists for allergies or drug interactions, especially when new medications or medication changes are ordered.</p>		
<p>C. Pharmacist Responsibilities</p> <p>a) Vendor shall provide Pharmacy services, including accepting and filling prescriptions for residents of five (5) HDCs located across the state.</p> <p>b) The Vendor must provide a partial or full support on-site Pharmacist in accordance with the needs of each HDC, as follows:</p> <ol style="list-style-type: none"> 1) Arkadelphia –Eight (8) hours per month; 2) Booneville- Eight (8) hours per month; 3) Conway – Forty (40) hours per month; 4) Jonesboro – Eight (8) hours per month; and 5) Southeast Arkansas – Eight (8) hours per month. <p>c) Vendor shall ensure that all OTC medications supplied by Vendor shall be purchased from the wholesaler in the most</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>DHS reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>economical bulk or cost-saving method available.</p> <p>d) The Pharmacist shall act as a liaison between the facility, its nursing staff and the pharmacy service. Specific requirements include, but are not limited to the following:</p> <p>a) Direct the daily operation of the drug delivery system and monitor the ordering, receiving, and accuracy of delivery of all medications.</p> <p>b) Monitor the proper storage of medications.</p> <p>c) Review all pharmacy charges to the facility.</p> <p>d) Attend meetings with facility administrative staff in an effort to find ways to keep pharmacy costs as low as possible.</p> <p>e) Make recommendations for changing drug therapy to medications that may be billed to other payer sources or changes to the lowest cost products with the same therapeutic effectiveness.</p> <p>f) Assist the nursing staff with pharmacy questions, assistance with order entry, and questions of drug compatibility.</p> <p>g) Monitor for the proper utilization of</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>medications. When medications are believed to not be administered as prescribed, develop a report and provide it to the Director of Nursing and consultant pharmacist identifying when it is believed medications may not be properly administered.</p> <p>h) Coordinate with nursing staff and the attending physicians to obtain medication orders and changes in orders to comply with the established facility formulary and perform follow-up to ensure the order change was appropriately transcribed to the orders and Medication Administration Sheets (MAR).</p> <p>i) Assist nursing staff on transcribing medication orders into the computer or creation of the computer printed orders and MAR sheets.</p> <p>j) Provide a method of medication management for client visits to home.</p>		
<p>D. Payment and Invoice Provisions. The Vendor shall forward all invoices in quadruplicate to the HDC address location as indicated on the purchase order.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>DHS reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>E. Record Retention.</p> <ol style="list-style-type: none"> 1. The Vendor shall maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and specified by the State of Arkansas Law. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives. 2. The Vendor shall make available all financial and accounting records, upon request, to the State of Arkansas' designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof: 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>DHS reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file, and contract termination.</p>
<p>F. Credentials/Licensure.</p> <p>The Vendor shall ensure the Pharmacist(s) assigned maintain the appropriate credentials and/or licenses. DHS shall be immediately notified in the event of a lapse.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>DHS reserves the right to impose penalties including but not limited to: withholding payment on invoice until Vendor is in full compliance with this standard, a below standard Vendor Performance Report maintained in the Vendor's file, and contract termination.</p>
<p>G. Conflict of Interest Mitigation.</p> <p>During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to DHS within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.		fine.
H. Transition Planning 1. Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services. 2. The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.	Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contracted term.	If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report maintained in the vendor file. Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

ⁱ Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

ⁱⁱ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.