

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**      **August 18, 2011**  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
 OR  
**530 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 13**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF CONTRACTOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr, LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141  |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 241-3768<br><b>Lance Kingsbury</b>                      |
| Contract Compliance Inspector: Barry Wickman (517) 373-4568 wickmanbl@michigan.gov<br><b>Pharmacy Services Supporting DOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD:                      From: <b>July 1, 2006</b>  |                                      | To: <b>December 31, 2011</b>   |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE(S):**

Effective immediately, this Contract is hereby **INCREASED** by \$3,000,000.00 and **EXTENDED** three months to December 31, 2011.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per Contractor, agency, and DTMB Purchasing Operations agreement and the approval of the State Administrative Board on 8/31/11.

**INCREASE: \$3,000,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$197,254,200.22**

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

April 21, 2011

**CHANGE NOTICE NO. 12**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |  |
|--|--|
| NAME & ADDRESS OF CONTRACTOR<br><br><b>PharmaCorr, LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b><br><br><a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a> | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br><b>Fax 314-919-8909</b> |
|  |  |
|  | BUYER/CA (517) 241-3768<br><b>Lance Kingsbury</b>                                    |
| Contract Compliance Inspector: Barry Wickman (517) 373-4568 wickmanbl@michigan.gov<br><b>Pharmacy Services Supporting DOC and Two (2) Registered Pharmacists - DOC</b>                             |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2011</b>   |  |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>  | SHIPMENT<br><b>AmerisourceBergen</b>   |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>   |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |  |

**NATURE OF CHANGE(S):**

Effective immediately, this Contract is hereby **EXTENDED** three months to **September 30, 2011**.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per Contractor, agency, and DTMB Purchasing Operations agreement and the approval of the State Administrative Board on 5/17/11.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$194,254,200.22**

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

July 23, 2010

**CHANGE NOTICE NO. 11**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |  |
|--|--|
| NAME & ADDRESS OF VENDOR<br><br><b>PharmaCorr, LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b><br><br><a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>                       | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br><b>Fax 314-919-8909</b> |
| Contract Compliance Inspector: Lance Kingsbury 517-241-3768 <a href="mailto:kingsburyl@michigan.gov">kingsburyl@michigan.gov</a><br><b>Pharmacy Services Supporting DOC and Two (2) Registered Pharmacists - DOC</b> | BUYER/CA (517) 241-3768<br><b>Lance Kingsbury</b>                                    |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>June 30, 2011</b>  |  |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>  | SHIPMENT<br><b>AmerisourceBergen</b>   |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>   |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |  |

**NATURE OF CHANGE(S):**

Effective immediately, the following revisions are made to this Contract:

- The Buyer and Contract Administrator for this Contract is hereby changed to Lance Kingsbury. Email: [kingsburyl@michigan.gov](mailto:kingsburyl@michigan.gov), Phone: 517-241-3768
- The Contract is hereby extended through June 30, 2011 and \$31,000,000 is hereby added to the Contract.

Effective October 1, 2010, the following revisions are made to this Contract:

- The fuel surcharge (initiated in Change Notice 6) is hereby rescinded and removed from the Contract.
- The prompt pay discount will apply only to administrative fees, and not staffing rates or pass through drug costs.
- In Section 1.001 Table Item # 4, the DOC removes the requirement to install additional electronic check in equipment for facilities that do not already have it by October 1, 2010.

**All other terms, conditions, specifications, and pricing remain unchanged.**

**AUTHORITY/REASON:**

Per DOC request dated 3/25/10, vendor email agreement dated 6/16/10,  
Ad Board approval on 7/20/10 and DTMB/Purchasing Operations' approval.

**REVISED CURRENT AUTHORIZED SPEND LIMIT: \$194,254,200.22**

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**FOR THE CONTRACTOR:**

**Pharmacorr, LLC**

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

**FOR THE STATE:**

Signature

**Sergio Paneque, Director**

Name/Title

**Business Services Administration**

Division

Date

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

December 15, 2009

**CHANGE NOTICE NO. 10**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|   |   |
|---|---|
| NAME & ADDRESS OF VENDOR<br><br><b>PharmaCorr LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b><br><br><a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a> | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br><b>Fax 314-919-8909</b><br><br>BUYER/CA (517) 241-0684<br><b>Brian Kloeckner</b> |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b>                          |   |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2010</b>  |   |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>   | SHIPMENT<br><b>AmerisourceBergen</b>  |
| F.O.B.<br><b>Delivered</b>  | SHIPPED FROM<br><b>Warehouse</b>  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>  |   |

**NATURE OF CHANGE (S):**

Effective December 15, 2009, the following revisions are hereby made to Section 2.181 (a) 7:

- **Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: one million dollars each occurrence and three million dollars annual aggregate is hereby added to the contract.**

Also effective December 15, 2009, Electronic Connection fees in Section 1.003 (D) (c) (added in Change Notice 5) are hereby waived from the implementation date through November 30, 2009.

All other terms, conditions, specifications and pricing remain unchanged.

**AUTHORITY / REASON:**

Pursuant to Executive Directive 2009-3, per vendor concurrence (email 11-13-09), agency concurrence (DOC email dated 12-10-09), and DMB-Purchasing Operations' approval.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$163,254,200.22**

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

July 31, 2009

**CHANGE NOTICE NO. 9**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|   |   |
|---|---|
| NAME & ADDRESS OF VENDOR<br><br><b>PharmaCorr LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b><br><br><a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a> | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br><b>Fax 314-919-8909</b><br><br>BUYER/CA (517) 241-0684<br><b>Brian Kloeckner</b> |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b>                          |   |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2010</b>  |   |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>   | SHIPMENT<br><b>AmerisourceBergen</b>  |
| F.O.B.<br><b>Delivered</b>  | SHIPPED FROM<br><b>Warehouse</b>  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>  |   |

**NATURE OF CHANGE (S):**

Effective immediately, this Contract is hereby **EXTENDED** through September 30, 2010, and **INCREASED** by \$42,000,000.00.

This Contract is now available to the Department of Corrections (DOC) statewide, with two different payment structures, i.e., Camps and Prisons. Reentry Centers falls under the Camps payment structure. **NOTE:** The DMB Buyer for this Contract is changed to Brian Kloeckner (517) 241-0684.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request (PRF dated 5/27/09), Ad Board approval on 7/21/09, and DMB/Purchasing Operations' approval.

**REVISED CURRENT AUTHORIZED SPEND LIMIT: \$163,254,200.22**

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

April 23, 2009

**CHANGE NOTICE NO. 8**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2009</b>   |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

Effective immediately, a Temporary Pharmacy Technician position is hereby ADDED to this Contract for Duane Waters Health Center, 3857 Cooper Street, Jackson, MI 49201.

The rate, mark up and benefit information is as follows:

Hourly Rate: \$14.00 (Per Hour – Week Days and Weekends)

Billing Rate: \$17.83 (Billing rate includes benefit load (\$2.66 per hour - 19%) which comprises of health and life insurance plus the tax load and the Pharmacorr mark up (\$1.17 per hour - 7%).

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request and DMB/Purchasing Operations' approval.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$121,254,200.22**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

April 13, 2009

CHANGE NOTICE NO. 7  
TO  
CONTRACT NO. 071B6200211  
between  
THE STATE OF MICHIGAN  
and

|  |                               |  |
|--|-------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                               | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                               |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                               | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                               |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2009</b>   |                               |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br>AmerisourceBergen |  |
| F.O.B.<br>Delivered  | SHIPPED FROM<br>Warehouse     |  |
| MINIMUM DELIVERY REQUIREMENTS<br>None  |                               |  |

**NATURE OF CHANGE (S):**

Effective immediately, this Contract is hereby INCREASED by \$6,500,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request, Ad Board approval on 4/7/09, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$121,254,200.22

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

September 5, 2008

**CHANGE NOTICE NO. 6**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2009</b>   |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

Effective September 10, 2008, the following changes are made to this Contract:

- The State exercises an option year, extending the Contract expiration date to September 30, 2009.
- Funds in the amount of \$36,000,000.00 are ADDED to this Contract.
- The attached Contract changes are hereby made to this Contract (see attachments).

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request, (PRF dated 3/20/2008), Vendor agreement (letter dated 8/1/08), Ad Board approval on 9/2/08, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$114,754,200.22

## CHANGE NOTICE # 6

The scope, terms and conditions of PharmaCorr Contract # 071B6200211 shall be revised as follows:

### Electronic Medical Record

All contract references to the Serapis electronic medical record are revised to the MDOC electronic medical record. MDOC is replacing the Serapis software with NextGen software, creating the following contract revisions:

- Section 1.001 (7) question and answer is hereby deleted from the contract.
- Section 1.003 D (a), the phrase "Serapis (See Appendix for Additional Serapis details)" is hereby deleted from this section.
- The last two sentences of Section 1.003 S are hereby replaced with "The Contractor shall work with the State and their EMR vendor to develop a pharmacy interface with the EMR, at no cost to MDOC. MDOC will compensate the NextGen EMR vendor for the pharmacy interface development."
- Appendix E is hereby removed from the contract.

### Medication Administration Record

- The first sentence of Section 1.003 S is hereby replaced with "The Contractor shall supply, on a monthly basis, hard copy Medication Administration Records (MARs) to each facility for all inmates currently receiving medication not expiring by the first day of the month."

### Conversion from On-site Pharmacies to Mail Order

- Section 1.001, the following sentence is hereby added to the end of the first paragraph: "The MDOC may phase out the on-site pharmacies (DWH, RGC, and HVC facilities), converting them to mail order; with the exception of IV solutions, and the Contractor shall provide assistance, including but not limited to that stated in new Section 1.003 AA."
- A new sub-section AA is hereby added to Section 1.003 – "Conversion to Mail Order - "The MDOC may phase out the on-site pharmacies (DWH, RGC, and HVC facilities), converting them to mail order; with the exception of IV solutions.
  1. The Contractor shall provide mail order conversion assistance, included but not limited to the following:
    - a. Upon the effective date of Change Notice # 6, the Contractor shall provide a detailed project plan relative to the possible phasing out of on-site pharmacies, including: return and refunds for unopened bottles of unexpired drugs, plans to reduce inventory, conversion to mail order by drug as inventory is reduced, and consolidation to one on-site pharmacy as part of the inventory reduction and closure plans.
    - b. Write a procedure governing use of back up pharmacies for first dosing versus mail order.

- c. As part of the phase out, the Contractor shall assist MDOC in the process of requesting and obtaining a revised scope in the pharmacy license at DWH.
  2. The Contractor shall provide
    - a. Within one month of the effective date of Change Notice # 6, for first dosing at DWH and RGC the Contractor will negotiate discount agreements with local pharmacy providers that can provide same day prescriptions for first dosing needs. The back up pharmacy services must be available 24 hours per day, 7 days per week, 365 days per year.
    - b. Limited pharmacy services will be necessary to provide solutions for building IVs. For IV solutions needs, the Contractor will continue to provide, at discounted pricing, the necessary pharmaceuticals used to build IVs.
    - c. Within one month of the effective date of Change Notice # 6, the Contractor will provide a discounted purchasing mechanism for TPN IVs.
- Section 1.006 the 4<sup>th</sup> sentence of the 2<sup>nd</sup> paragraph, (beginning with “The intent of MDOC”), is hereby replaced with the following: “On-site pharmacies will be provided at DWH Hospital and at the Huron Valley Complex. MDOC may elect to phase out the on-site pharmacies and convert them to mail order.”

#### **Joint Commission on Accreditation of Hospitals (JCAHO) Standards**

References to JCAHO shall be removed from this contract.

- Section 1.003 (B) is hereby replaced with the following: “Develop, implement, and maintain standards necessary to retain accreditation by accrediting agencies identified by MDOC.
- Section 1.006 (A) (a), the last sentence is hereby replaced with the following: “The Contractor shall develop, implement, and support an on-going program in preparing for and maintaining standards necessary to retain accreditation by accrediting agencies identified by MDOC. The Contractor shall develop a Pharmacy Services System that will support all pharmacy services.”

#### **Reports**

- Section 1.010, the third sentence of the first paragraph shall be replaced with the following: “In addition, monthly reporting of Drug Returns, Generic vs. Brand Drug, Utilization by Number Prescribed (broken out by psychotropic and non-psychotropic), Top 50 Drugs by Class (i.e. diabetic, etc.) in PMPM format (the cost divided by the population), Top 50 Drugs by Spend and Volume in PMPM format, and monthly reports of Prescription Errors and detail to support any Fuel Surcharges shall be submitted electronically to the CCI.
- Section 1.010, a new paragraph is hereby added to the end of this section: “The contractor will submit a report with HIPAA encounter submission (837) aggregate data in an electronic spreadsheet monthly to the MDOC, a MDOC data warehouse, the MDOC health care contractor and/or the MDOC independent third party reviewer.”

**Addition of Camps**

MDOC camps shall be added to the scope of this contract. The term facilities, used in this contract, shall now include camps.

- Section 1.001, the following sentence is hereby added to the end of the first paragraph: "The contract shall include mail order pharmaceuticals for all MDOC facilities, including camps."
- Section 1.002, the first sentence of the first paragraph is hereby replaced with the following: "The Michigan Department of Corrections wishes to convert to a more modernized pharmaceutical distribution system to its approximately 50,000 prisoners at 41 correctional facilities and 8 camps (Client Census Report and MDOC locations, see Appendices) that include both a male and female reception center and a prison based health care center."
- Section 1.012, a new paragraph is hereby added at the beginning of this section. "Camp populations are not included in the count for per inmate per month fees. Mail order pricing for camps shall be Actual Acquisition Cost of the pharmaceutical, plus a \$4.40 per prescription fee per prescription. The per prescription fee shall be all inclusive of all fees aside from the actual acquisition cost of the pharmaceutical, including dispensing, and delivery costs, except for fuel surcharges. For the purposes of this contract, a prescription shall be defined as up to a 30 day supply of a drug unless the prescription requires less than that amount or unless the final prescription refill dictates less than a 30-day supply. "As needed" or "PRN" prescriptions (those medications that do not specify a continual rate of administration) will be defined as one unit-of-use dispensing unit (i.e. one blister card, one inhaler, one tube).

**Contract Administrator**

The Contract Administrator contact information in Section 2.014, and Notices contact information in Section 2.296 (a) are revised as follows:

Rebecca Nevai, Buyer Specialist  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg., 2<sup>nd</sup> Floor  
P.O. Box 30026  
Lansing, MI 48909  
Phone: 517-373-8530  
Fax: 517-335-0046  
Email: [nevair@michigan.gov](mailto:nevair@michigan.gov)

**Contract Compliance Inspector**

The Contract Compliance Inspector contact information in Section 2.015 is revised as follows:

Lia Guilck, Financial Services Manager  
Bureau of Fiscal Management  
Department of Corrections  
PO Box 30003  
Lansing, MI 48909  
Email: [gulickll@michigan.gov](mailto:gulickll@michigan.gov)  
Phone: 517-241-9902

**Project Manager**

The Project Manager contact information in Section 2.016 is revised as follows:

Barry Wickman  
Department of Corrections  
P.O. Box 30003  
Lansing, MI 48909  
Email: [wickmabl@michigan.gov](mailto:wickmabl@michigan.gov)  
Phone: 517-373-4568  
Fax: 517-241-5129

**Revised Contract Appendices**

Revised, updated copies of the following appendices are hereby incorporated into this contract, through Change Notice # 6.

- Appendix D – MDOC Facility List, including camps
- Appendix F – MDOC Formulary
- Appendix G – Client Census Summary Report

**Pharmacist Raises**

The on-site pharmacist hourly rate stated in Appendix A (3) shall be increased 3% from \$56.65 to \$58.34, effective October 1, 2008.

**Per Inmate Per Month Administrative Fee**

*(Pharmacorr's requested increase is \$0.13, but the \$0.12 reduction for pulling out the clinical pharmacist from the PIPM offsets this to a \$0.01 increase.)*

The Per Inmate Per Month (PIPM) fee stated in Appendix A (4) shall be increased \$0.01 from \$7.03 to \$7.04, effective October 1, 2008.

**Billing for Clinical Pharmacist**

- The cost of the 0.5 FTE clinical pharmacist in Section 1.003 C is hereby removed from the PIPM rate, and will be billed as a separate line item on the invoice. The rate for the clinical pharmacist shall be \$97,069.14 per contract year. The rate for the clinical pharmacist will be billed in monthly increments on each invoice. This change is effective October 1, 2008.
- The 0.5 FTE clinical pharmacist in Section 1.003 C is hereby revised to a 0.75 FTE clinical pharmacist.

**Fuel Surcharges**

On the monthly invoice, the Contractor may add a line item relative to fuel surcharges for packages shipped during the invoice period. Fuel surcharges are to be billed at the UPS published fuel charge rate, less the 30% discount that the Contractor has negotiated with UPS. With the monthly invoice, the Contractor will either: forward a hard copy detailed report of monthly shipments and fuel surcharges, provide such a report electronically to the CCI, or provide UPS web portal access to the MDOC CCI so that they may run the report.

**Appendix D: MDOC Facility List**  
**Contract # 071B6200211**  
**Revised: July 2008**

|   |  |
|---|--|
| Alger Maximum Correctional Facility (LMF)<br>Industrial Park Drive P.O. Box 600<br>Munising, MI 49862<br>(906) 387-5019 | Mid-Michigan Correctional Facility (STF)<br>8201 N. Croswell Rd.<br>St. Louis, MI 48880<br>(989)681-4361 |
| Baraga Maximum Correctional Facility (AMF)<br>301 Wadaga Rd.<br>Baraga, MI 49908<br>(906) 353-7070                      | Michigan Reformatory<br>1342 W. Main<br>Ionia, MI 48846<br>(616) 527-2500                                |
| Bellamy Creek Correctional Facility (IBC)<br>1727 W. Bluewater Hwy.<br>Ionia, MI 48846<br>(616)527-2510                 | Mound Correctional Facility (NRF)<br>17601 Mound Rd.<br>Detroit, MI 48212<br>(313) 368-8300              |
| Boyer Road Correctional Facility (OTF)<br>10274 Boyer Rd.<br>Carson City, MI 48811<br>(989)584-3941                     | Muskegon Correctional Facility (MCF)<br>2400 S. Sheridan Dr.<br>Muskegon, MI 49442<br>(231) 773-3201     |
| Brooks Correctional Facility (LRF)<br>2500 S. Sheridan Rd.<br>Muskegon Heights, MI 49444<br>(231) 773-9200              | Newberry Correctional Facility (NCF)<br>3001 Newberry Ave.<br>Newberry, MI 49868<br>(906)293-6200        |
| Carson City Correctional Facility (DRF)<br>10522 Boyer Rd.<br>Carson City, MI 48811<br>(989) 584-3941                   | Oaks Correctional Facility (ECF)<br>1500 Caberfae Highway<br>Manistee, MI 49660<br>(231)723-8272         |
| Chippewa Correctional Facility (URF)<br>4269 W. M-80<br>Kincheloe, MI 49784<br>(906) 495-2275                           | Ojibway Correctional Facility (OCF)<br>N 5705 Ojibway rd.<br>Marenisco, MI 49947<br>(906) 787-2217       |
| Cooper Street Correctional Facility (JCS)<br>3100 Cooper St.<br>Jackson, MI 49201<br>(517) 780-6175                     | Parnall Correctional Facility (SMT)<br>1780 E. Parnall<br>Jackson, MI 49201<br>(517) 780-6004            |
| Cotton Correctional Facility (JCF)<br>3500 N. Elm Rd.<br>Jackson, MI 49201<br>(517) 780-5000                            | Parr Highway Correctional Facility (ATF)<br>2727 E. Beecher<br>Adrian, MI 49221<br>(517) 263-3500        |
| Florence Crane Correctional. Facility (ACF)<br>38 Fourth Street<br>Coldwater, MI 49036<br>(517) 279-9165                | Pine River Correctional Facility<br>320 N. Hubbard<br>St. Louis, MI 48880<br>(989) 681-6668              |

|  |  |
|--|--|
| Deerfield Correctional Facility (ITF)<br>1755 Harwood Rd.<br>Ionia, MI 48846<br>(616) 527-6320   | Pugsley Correctional Facility (MPF)<br>7401 E. Walton Rd.<br>Kingsley, MI 49649<br>(231) 263-5253                  |
| Egeler Reception and Guidance Center (RGC)<br>3855 Cooper Street<br>Jackson, MI 49201<br>(517) 780-5600<br>Duane Waters Health Center (517) 780-5600 | Ryan Correctional Facility (RRF)<br>17600 Ryan Rd.<br>Detroit, MI 48212<br>(313) 368-3200                          |
| Handlon Correctional Facility (MTU)<br>1728 Bluewater Hwy.<br>Ionia, MI 48846<br>(616) 527-3100  | Saginaw Correctional Facility (SRF)<br>9625 Pierce Rd.<br>Freeland, MI 48623<br>(989) 695-9880                     |
| Gus Harrison Correctional Facility (ARF)<br>2727 E. Beecher St.<br>Adrian, MI 49221<br>(517) 265-3900  | Scott Correctional Facility (SCF)<br>47500 Five Mile Rd.<br>Plymouth, MI 48170<br>(734) 459-7400                   |
| Hiawatha Correctional Facility (HTF)<br>4533 W. Industrial Park Dr.<br>Kincheloe, MI 49786<br>(906) 495-5661   | St. Louis Correctional Facility (SLF)<br>8585 N. Croswell Rd.<br>St. Louis, MI 48880<br>(989) 681-6444             |
| Huron Valley Mens Corr. Facility (HVM)<br>3201 Bemis Rd.<br>Ypsilanti, MI 48197<br>(734) 572-9900  | Standish Maximum Corr. Facility (SMF)<br>4713 West M-61<br>Standish, MI 48658<br>(989) 846-7000                    |
| Ionia Maximum Correctional Facility (ICF)<br>1576 W. Bluewater Hwy<br>Ionia, MI 48846<br>(616) 527-6331  | Straits Correctional Facility (KTF)<br>4387 W. M-80<br>Kincheloe, MI 49785<br>(906) 495-5674                       |
| Kinross Correctional Facility (KCF)<br>16770 S. Watertower Dr.<br>Kincheole, MI 49788<br>(906) 495-2282  | Thumb Correctional Facility (TCF)<br>3225 John Conley Dr.<br>Lapeer, MI 48446<br>(810) 667-2045                    |
| Lakeland Correctional Facility (LCF)<br>141 First St.<br>Coldwater, MI 49036<br>(517) 278-6942   | West Shoreline Correctional Facility (MTF)<br>2500 S. Sheridan Dr.<br>Muskegon Heights, MI 49444<br>(231) 773-1122 |
| Macomb Correctional Facility (MRF)<br>34625 26 Mile Rd.<br>New Haven, MI 48048<br>(586) 749-4900   | Womens Huron Valley (WHV)<br>3511 Bemis Rd.<br>Ypsilanti, MI 48197<br>(734) 434-5888                               |
| Marquette Branch Prison (MBP)  |  |

|  |  |
|--|--|
| 1960 U.S. 41 South<br>Marquette, MI 49855<br>(906) 226-6531                            |  |
| <b>Camps</b>   |  |
| Camp Cusino (CCU)<br>N5398 Percy Road<br>Shingleton, MI 49884<br>(906) 452-6248        | Camp Ottawa (COT)<br>216 Gendron Road<br>Iron River, MI 49935<br>(906) 265-6431 or 6432              |
| Camp Branch (CDW)<br>19 Fourth Street<br>Coldwater, MI 49036<br>(517) 278-3204 or 3476 | Camp Valley (CVL)<br>3413 Bernis Road<br>Ypsilanti, MI 48197<br>(734) 572-8700                       |
| Camp Kitwen (CKT)<br>M-26 South, P.O. Box 7<br>Painsedale, MI 49955<br>(906) 288-3791  | Camp White Lake<br>8110 E. White Lake Road<br>White Lake, MI 48386<br>(248) 625-6688                 |
| Camp Lehman (CLE)<br>5135 Hartwick Pines Road<br>Grayling, MI 49738<br>(989) 348-8101  | Special Alternative Incarceration (SAI)<br>18901 Waterloo Rd.<br>Chelsea, MI 48118<br>(734) 475-1368 |

# MICHIGAN DEPARTMENT OF CORRECTIONS

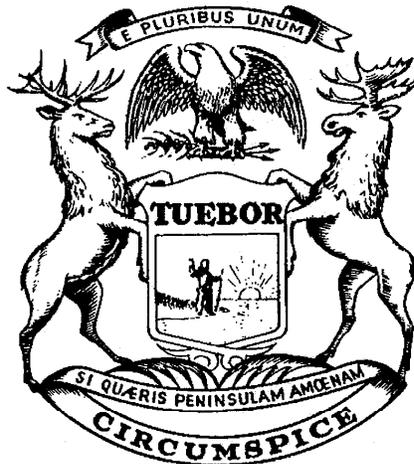
Bureau of Health Care Services

## CLINICAL FORMULARY

### Appendix F

Approved: 9/20/06

Latest Revision: 2/5/08



# FORMULARY

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## **PREFACE**

This is a managed care formulary or book containing the names of drugs. Providers concerned with the prescribing of medicines should refer to this book in choosing quality cost-effective treatment.

A managed care formulary is different from a hospital formulary in that it does not include dosage forms and actual drug cost. (Actual costs change frequently and therefore do not remain accurate over time.) The drugs and guidelines on this formulary have been approved for use by the Medical Advisory Committee (MAC). Their purpose is to evaluate and select drugs and their appropriate use.

The Medical Advisory Committee (MAC), consisting of physicians, has the primary responsibility for setting policies regarding the evaluation, selection and therapeutic use of drugs. Although the MAC is the decision-making body regarding the Formulary, contributions from all participating physicians are welcomed.

## **CRITERIA OF CHOICE**

Examples of the criteria used to determine the formulary status of products include the following:

- Effectiveness of the product
- FDA approved indications
- Side effect profile
- Patient compliance factors
- Physician follow-up requirements
- Effect on ER visits and hospitalizations
- Lab tests
- Cost
- Practice guidelines

This Formulary is intended to be a helpful guide in the decision making process. The final choice of the drug rests solely with the prescriber.

## **PRODUCT NAME**

This is the most common brand name of the drug.

## **GENERIC NAME**

This is the generic or chemical name of the drug.

## **GENERIC SUBSTITUTION**

Generic substitution is the process by which a pharmacist dispenses a generic equivalent of a product rather than the branded product. Generic substitution will be done whenever a generic equivalent is available. When medical necessity dictates that a branded product be used, approval using the off-formulary process will be necessary.

## **FORMULARY COMPLIANCE**

Through the use of a retrospective utilization review system, we are able to monitor the prescribing of formulary drugs.

## **FORMULARY ORGANIZATION**

The Formulary is organized by a combination of therapeutic classes and diagnoses. The drug products are listed by generic name (small print in left column) and common brand-name (large print in right column).

### **NON-FORMULARY DRUGS**

When a prisoner requires a drug (either non-prescription or prescription) for medical reasons that are not on the MDOC Formulary, approval to use the drug must be obtained from the Regional Medical Officer. It is the responsibility of the medical service provider attending to the prisoner to obtain the Regional Medical Officer's approval for off-formulary drugs whether the drug was prescribed by themselves or recommended by a consultant and subsequently deemed medically necessary by themselves. Non-formulary psychotropic medication shall be approved by the DCH clinical approving authority per DCH guidelines. The Regional Medical Officer's approval for all Off-Formulary drugs is to be obtained according to the attached Guidelines [Approval of Non-Formulary Medications.e](#)

### **FORMULARY MAINTENANCE POLICY**

All Formulary decisions will be made by the Medical Advisory Committee.

Additions/Deletions:

The addition/deletion of drugs to the Formulary will be based on comparative efficacy and drug specific parameters. Evaluations will be based on information from respected medical references, primary literature and standard of practice guidelines.

Cost will be considered in Formulary decisions when little or no difference exists in comparative efficacy and drug specific parameters. If you have any comments or concerns regarding the Formulary or a request to have a drug reviewed by the Medical Advisory Committee, please submit a Formulary Change Request.

# FORMULARY CHANGE REQUEST

(Please send this form directly to the BHCS to the attention of the Medical Advisory Committee)

Drug Involved (generic name): \_\_\_\_\_

Person Completing Form (name, profession, facility, phone number):

Reason for Request (please attach any supporting articles or literature and provide your comments): **THIS IS REQUIRED**

Other Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PLEASE DO NOT WRITE BELOW THIS LINE**

---

Medical Advisory Committee Comments and Actions:

\_\_\_\_\_  
\_\_\_\_\_  
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MICHIGAN DEPARTMENT OF CORRECTIONS - Bureau of Health Care Services

| DOCUMENTATION GUIDELINES                             |                            |                           |
|--|----------------------------|---------------------------|
| <b>FORM NAME</b><br>Off Formulary Medication Request | <b>FORM NO.</b><br>CHJ-183 | <b>REV. DATE</b><br>10/06 |

**INFORMATION:** When off formulary psychotropic medication is being ordered, the guidelines contained in the Bureau of Forensic Mental Health Services= September 11, 1995 memorandum ΔPrescription of Controlled and Non-controlled Medications in General Population and Residential Treatment Program Settings@ must be followed instead of these guidelines.

**NOTE** Serapis must be used if available to submit off formulary requests

**WHO**

**DOES WHAT**

Medical Services Provider (MSP)

When MSP determines that an off formulary medication is medically necessary for a specific prisoner, a RMO approval template in Serapis is completely and legibly filled out and submitted to the Regional Medical Officer or acting Regional Medical Officer for approval via Serapis email. If this is an urgent request, the MSP may order up to a ten day supply of the medication, followed by the phrase, "Pending Medical Officer's Approval." Written in the SIG portion. If it is a non-urgent request, then order for off formulary medication should not be written until the approval is received.

Regional Medical Officer (RMO)

Receives request via Serapis email and reviews for medical necessity. Approves, denies or pends request and returns to MSP via Serapis email.

MSP

Upon receipt of approval email, writes order for off formulary medication and submits to pharmacy with copy of approval.  
Or

Upon receipt of pended request email, supplies further documentation requested by Regional Medical Officer.

Or

Upon receipt of denial email, decides whether he/she wants to request an appeal of denial and, if so, submits further documentation to Regional Medical Officer.

Regional Medical Officer

Reviews additional information submitted and either approves or denies request and returns to MSP via Serapis email.

MSP

If request approved, writes order for off formulary medication and forwards to pharmacy with copy of approval. If denied, decides whether he/she wants to request an appeal of denial and, if so, submits appeal to the Chief Medical Officer via Serapis email.

## 1. ANTIMICROBIALS AND INFECTIOUS DISEASE

Antibiotics are considered to be either first line agents or second line agents. First line agents signified by (FL) are to be tried first unless one of the following conditions exist:

1. Prior history of failure of the first line agent in a reoccurring infection.
2. Allergy or history of prior adverse side effects of the first line agent.
3. Patient is HIV positive or otherwise significantly immune compromised making the use of a first line agent dangerous in that patient
4. Culture report showing resistance to first line agents.
5. Sanford's "Guide to Antimicrobial therapy" lists second line drug as treatment of choice.

Second line agents are signified by (SL) and are generally to be used after a first line agent. When a second line agent is used as the initial treatment for any infection the rationale for the medical necessity of its use must be documented in the medical record.

### A. BETA LACTAM ANTIBIOTICS

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| penicillin (FL)                   | PEN VK (\$)                         |
| amoxicillin (FL)                  | AMOXIL (\$)                         |
| ampicillin (FL)                   | OMNIPEN (\$)                        |
| cephalexin (FL)                   | KEFLEX (\$)                         |
| cefazolin sodium (INPATIENT ONLY) | KEFZOL (1st generation)             |
| cefoxitin sodium (INPATIENT ONLY) | MEFOXIN (2nd generation)            |
| ceftriaxone sodium(FL)            | ROCEPHIN (3rd generation)           |
| ceftazidime (INPATIENT ONLY)      | FORTAZ (3rd generation)             |
| cefuroxime (SL)                   | CEFTIN (2nd generation)(\$\$\$\$\$) |
| dicloxacillin (FL)                | DYNAPEN (\$)                        |
| amoxicillin/clavulanate (FL)      | AUGMENTIN (\$\$\$\$\$)              |
| nafcillin sodium (INPATIENT ONLY) | UNIPEN                              |
| ticarcillin (INPATIENT ONLY)      | TICAR                               |

### B. ERYTHROMYCINS

|   |                  |
|---|------------------|
| erythromycin (FL)                                   | ERY-TAB (\$)     |
| clindamycin (see miscellaneous anti-infectives)(FL) | CLEOCIN (\$\$\$) |

### C. TETRACYCLINES

|                   |                 |
|-------------------|-----------------|
| tetracycline (FL) | SUMYCIN (\$)    |
| doxycycline (FL)  | VIBRAMYCIN (\$) |

### D. FLUOROQUINOLONES

|                    |                       |
|--------------------|-----------------------|
| ciprofloxacin (SL) | CIPRO (\$\$\$\$\$)    |
| levofloxacin (SL)  | LEVAQUIN (\$\$\$\$\$) |

### E. SULFONAMIDES AND SULFONES

|                                    |                 |
|------------------------------------|-----------------|
| sulfamethoxazole/trimethoprim (FL) | SEPTRA, DS (\$) |
| sulfasalazine                      | AZULFIDINE      |

**F. ANTI-TUBERCULOSIS / ANTI-MYCOBACTERIAL AGENTS**

|              |                             |
|--------------|-----------------------------|
| isoniazid    | ISONIAZID (\$)              |
| pyrazinamide | PYRAZINAMIDE (\$\$\$\$\$\$) |
| rifampin     | RIFADIN (\$\$\$\$\$\$)      |
| ethambutol   | MYAMBUTOL (\$\$\$\$\$\$)    |
| streptomycin |                             |
| rifabutin    | MYCOBUTIN (\$\$\$\$\$\$)    |

**G. ANTI-VIRALS**

|                          |                |
|--------------------------|----------------|
| amantadine               | SYMMETREL (\$) |
| acyclovir (not ointment) | ZOVIRAX (\$\$) |
| ribavirin, USP Capsules  | REBETOL        |
| peg interferon alfa 2a   | PEGASYS        |

ANTIRETROVIRAL AGENTS

|                   |          |
|-------------------|----------|
| zidovudine (AZT)  | RETROVIR |
| didanosine (ddi)  | VIDEX-EC |
| zalcitabine (ddc) | HIVID    |
| stavudine (d4T)   | ZERIT    |
| lamivudine (3TC)  | EPIVIR   |
| abacavir          | ZIAGEN   |
| tenofovir         | VIREAD   |
| emtricitabine     | EMTRIVA  |

FUSION INHIBITOR

|             |        |
|-------------|--------|
| enfuvirtide | FUSEON |
|-------------|--------|

NNRTI - NON-NUCLEOSIDE REVERSE TRANSCRIPTASE INHIBITORS

|                   |            |
|-------------------|------------|
| nevirapine (NVP)  | VIRAMUNE   |
| delavirdine (DEL) | RESCRIPTOR |
| efavirenz         | SUSTIVA    |

PI - PROTEASE INHIBITORS

|                     |          |
|---------------------|----------|
| saquinavir mesylate | INVIRASE |
| indinavir (IDV)     | CRIXIVAN |
| ritonavir (RIT)     | NORVIR   |
| nelfinavir (NEL)    | VIRACEPT |
| atazanavir sulfate  | REYATAZ  |
| fosamprenavir       | LEXIVA   |
| tipranavir          | APTIVUS  |
| darunavir           | PREZISTA |

FIXED DOSE COMBINATION MEDICATIONS

|   |          |
|---|----------|
| zidovudine, lamivudine and abacavir       | TRIZIVIR |
| lopinavir and ritonavir                   | KALETRA  |
| lamivudine and abacavir                   | EPZICOM  |
| tenofovir and emtricitabine               | TRUVADA  |
| tenofovir and emtricitabine and efavirenz | ATRIPLA  |

CO-RECEPTOR ANTAGONISTS

|           |           |
|-----------|-----------|
| Maraviroc | SELZENTRY |
|-----------|-----------|

HIV INTEGRASE INHIBITOR

|             |           |
|-------------|-----------|
| Raltegravir | ISENTRESS |
|-------------|-----------|

**H. ANTI-FUNGALS**

|                     |                             |
|---------------------|-----------------------------|
| amphotericin B      |                             |
| nystatin            | MYCOSTATIN (\$)             |
| ketoconazole        | NIZORAL (\$\$\$\$)          |
| clotrimazole troche | MYCELEX (\$)                |
| fluconazole         | DIFLUCAN (\$\$\$\$\$\$\$\$) |

**I. MISCELLANEOUS ANTI-INFECTIVES**

|               |                             |
|---------------|-----------------------------|
| metronidazole | FLAGYL (\$)                 |
| vancomycin    | VANCOGIN (\$\$\$\$\$\$\$\$) |

**2. ANTINEOPLASTICS AND IMMUNOSUPPRESSANTS**

hydroxyurea  
methotrexate  
tamoxifen

**3. NEUROLOGICAL DRUGS**

**A. PARKINSON'S**

|                    |  |                             |
|--------------------|--|-----------------------------|
| trihexyphenidyl    |  | ARTANE (\$)                 |
| benztropine        |  | COGENTIN (\$)               |
| amantadine         |  | SYMMETREL (\$)              |
| levodopa/carbidopa |  | SINEMET (\$\$)              |
| bromocriptine      |  | PARLODEL (\$\$\$\$\$\$\$\$) |

**B. MIGRAINE THERAPY**

|                                    |     |                   |
|------------------------------------|-----|-------------------|
| ergotamine/caffeine (not PB)       |     | CAFERGOT (\$)     |
| aspirin 250mg/acetaminophen 250mg/ | OTC | EXCEDRIN MIGRAINE |
| caffeine 65mg                      |     | (\$)              |
| zolmitriptan                       |     | ZOMIG (\$\$\$\$)  |

**C. SKELETAL MUSCLE RELAXANTS**

|   |  |                              |
|---|--|------------------------------|
| baclofen                                  |  | LIORESAL (RESTRICTED) (\$\$) |
| cyclobenzaprine                           |  | FLEXERIL (RESTRICTED) (\$)   |
| pancuronium bromide (INPATIENT ONLY)      |  |                              |
| succinylcholine chloride (INPATIENT ONLY) |  |                              |
| tubocurarine chloride (INPATIENT ONLY)    |  |                              |
| dantrolene (INPATIENT ONLY)               |  | DANTRIUM                     |
| quinine sulfate                           |  | QUINAMM(\$)                  |

**D. SEIZURES**

|               |  |                             |
|---------------|--|-----------------------------|
| phenobarbital |  | PHENOBARBITAL (\$)          |
| phenytoin     |  | DILANTIN (\$)               |
| carbamazepine |  | TEGRETOL (\$\$\$)           |
| primidone     |  | MYSOLINE (\$\$\$\$)         |
| ethosuximide  |  | ZARONTIN (\$\$\$\$\$)       |
| topiramate    |  | TOPAMAX (\$\$\$\$\$\$\$\$)  |
| lamotrigine   |  | LAMICTAL (\$\$\$\$\$\$\$\$) |
| valproic acid |  | DEPAKENE (\$\$\$\$\$\$\$\$) |

#### 4. BLOOD MODIFIERS

|                                    |                               |
|------------------------------------|-------------------------------|
| enoxaparin sodium                  | LOVENOX                       |
| warfarin                           | COUMADIN (\$\$\$)             |
| pentoxifylline                     | TRENTAL                       |
| heparin (INPATIENT ONLY)           |                               |
| aspirin                            |                               |
| dipyridamole                       | PERSANTINE (\$\$)             |
| anti-hemophilic factor             |                               |
| G-CSF                              | NEUPOGEN (\$\$\$\$\$\$\$\$\$) |
| urokinase (INPATIENT ONLY)         |                               |
| protamine sulfate (INPATIENT ONLY) |                               |
| darbepoetin alpha                  | ARANESP                       |
| clopidogrel bisulfate              | PLAVIX                        |

#### 5. CARDIOVASCULAR AGENTS

##### A. ANTIARRHYTHMICS AND CARDIAC GLYCOSIDES

|                    |         |
|--------------------|---------|
| digoxin (not caps) | LANOXIN |
|--------------------|---------|

##### B. ANTIHYPERTENSIVES

###### 1. DIURETICS

|                                 |                  |
|---------------------------------|------------------|
| hydrochlorothiazide (hctz)      | HYDRODIURIL (\$) |
| furosemide                      | LASIX (\$)       |
| spironolactone                  | ALDACTONE (\$\$) |
| hydrochlorothiazide/triamterene | MAXZIDE (\$)     |

###### 2. BETA BLOCKERS

|                           |               |
|---------------------------|---------------|
| propranolol hydrochloride | INDERAL (\$)  |
| atenolol                  | TENORMIN (\$) |

###### 3. ALPHA AND BETA BLOCKERS

|            |                    |
|------------|--------------------|
| metoprolol | LOPRESSOR (\$)     |
| labetalol  | NORMODYNE (\$\$\$) |
|            | TRANDATE (\$\$\$)  |
| Carvedilol | COREG              |

###### 4. CALCIUM CHANNEL BLOCKERS

|                             |            |
|-----------------------------|------------|
| verapamil                   | CALAN (\$) |
| diltiazem sustained release | (\$\$\$)   |
| amlodipine                  | NORVASC    |

###### 5. ACE INHIBITORS

|           |                |
|-----------|----------------|
| enalapril | VASOTEC (\$\$) |
| captopril | CAPOTEN (\$)   |

###### 6. ALPHA ADRENERGIC BLOCKERS AND CENTRALLY ACTING

|                       |                           |
|-----------------------|---------------------------|
| clonidine (ORAL ONLY) | CATAPRES (RESTRICTED)(\$) |
| prazosin (not XL)     | MINIPRESS (\$)            |
| terazosin             | HYTRIN (\$\$\$)           |

###### 7. VASODILATORS

|                          |                |
|--------------------------|----------------|
| hydralazine (100mg tabs) | APRESOLINE(\$) |
|--------------------------|----------------|

|                                      |                         |
|--------------------------------------|-------------------------|
| <b>C. NITRATES</b>                   |                         |
| nitroglycerin                        | NITROSTAT S.L. (\$\$)   |
| NITRO-BID (\$)                       |                         |
| isosorbide mononitrate               | IMDUR (\$\$\$\$\$\$)    |
| <b>D. ANTIHYPERLIPIDEMICS</b>        |                         |
| cholestyramine                       | QUESTRAN (\$\$\$\$\$\$) |
| QUESTRAN-LIGHT(\$\$\$\$\$\$)         |                         |
| gemfibrozil                          | LOPID (\$)              |
| <u>HMG CO-A reductase inhibitors</u> |                         |
| simvastatin                          | ZOCOR                   |

**6. PAIN AND INFLAMMATORY DISEASES**

**A. NONSTEROIDAL ANTI-INFLAMMATORY DRUGS**

|                               |     |                         |
|-------------------------------|-----|-------------------------|
| ibuprofen                     | OTC | ADVIL (\$)              |
|                               | OTC | NUPRIN (\$)             |
| ibuprofen                     |     | MOTRIN (\$)             |
| salsalate                     |     | DISALCID (\$\$\$)       |
| naproxen                      |     | NAPROSYN (\$)           |
| Sulindac                      |     | CLINORIL                |
| etodolac (not xl)             |     | LODINE (NOT XL)         |
| ketorolac tromethamine im tab |     | TORADOL – IM (\$\$\$\$) |
|                               |     | TORADOL oral (\$\$\$\$) |

**B. NARCOTIC ANALGESICS**

**MODERATE PAIN**

|  |                   |
|--|-------------------|
| acetaminophen/codeine                    | TYLENOL #3 (\$)   |
| hydrocodone bitartrate and acetaminophen | VICODIN (\$)      |
|  | aspirin           |
|  | APAP TYLENOL (\$) |

**SEVERE PAIN**

|                             |                             |
|-----------------------------|-----------------------------|
| morphine                    | MSIR C-II                   |
|                             | MS-CONTIN (\$\$\$\$\$\$)    |
| meperidine (INPATIENT ONLY) | DEMEROL C-II (\$\$\$\$\$\$) |

**NARCOTIC ANTAGONIST:**

|                        |        |
|------------------------|--------|
| naloxone hydrochloride | NARCAN |
|------------------------|--------|

**C. OTHER ANALGESICS**

|          |                     |
|----------|---------------------|
| tramadol | ULTRAM (RESTRICTED) |
|----------|---------------------|

**D. ANTI GOUT MEDICATIONS**

|             |                        |
|-------------|------------------------|
| probenecid  | BENEMID (\$\$\$\$\$\$) |
| allopurinol | ZYLOPRIM (\$)          |
| colchicine  | COLCHICINE (\$\$\$)    |

## **7. PSYCHIATRIC MEDICATIONS**

### **General Guidelines:**

#### **Definitions:**

Preferred psychotropic drugs have been recommended by the Psychiatric Advisory Committee on the basis of clinical efficacy, safety, and cost-effectiveness.

Non-preferred psychotropic drugs are usually more expensive than preferred drugs. They are generally prescribed only where a preferred drug is not appropriate. Typically, they are therapeutically equivalent to preferred drugs.

Unclassified drugs are neither preferred nor non-preferred. They are usually less expensive medications having side-effects that make them less desirable as first-line drugs. There are no restrictions on their use.

Controlled drugs are so classified by the FDA and require CAA approval.

Non-formulary drugs are reviewed on a case-by-case basis.

Adequate trial means one of the following: (1) a medication has been administered at generally accepted therapeutic doses for a sufficient period of time to conclude that the medication was ineffective. In most cases, this means several weeks, though for some medications and contexts, the time required may be shorter. (2) a medication causes adverse effects such that sustained treatment at an adequate dose is not possible.

Use of non-preferred drugs must meet the following criteria:

- A. One of the following is true:
  1. The patient failed an adequate trial of a preferred medication. If the clinician seeking to prescribe a non-preferred medication did not personally oversee an adequate trial, then there should be convincing evidence from the history that such a trial took place.
  2. The preferred drug(s) are contraindicated or pose other, unnecessary medical or psychiatric risks (for example, an elevated prolactin level and gynecomastia or a pre-existing movement disorder might justify administering olanzapine or quetiapine without a trial of risperidone).
  3. There are other compelling reasons for initiating treatment with a non-preferred drug. This might include clinical benefit already established on a non-preferred drug in a patient/prisoner who had been difficult to manage
- B. The prescriber has completed a non-preferred medication form and submitted it to the CAA.

### Preferred and Non-preferred Drugs in Major Categories

We have used Trade and generic names with care. Paroxetine (Paxil) and clozapine (Clozaril) are available as generics, but even as such the prices are high, so these have been placed among the non-preferred drugs.

#### **A. ANTIDEPRESSANT AND ANTI-OBSessional MEDICATIONS**

Preferred: fluoxetine; bupropion; bupropion-SR; trazodone; citalopram

Non-preferred: Zoloft; Effexor; Remeron-sol

Unclassified: tricyclic antidepressants

|                           |            |
|---------------------------|------------|
| Fluoxetine (first choice) | PROZAC     |
| amitriptyline             | ELAVIL     |
| imipramine                | TOFRANIL   |
| doxepin                   | SINEQUAN   |
| desipramine               | NORPRAMIN  |
| trazodone                 | DESYREL    |
| clomipramine              | ANAFRANIL  |
| nortriptyline             | PAMELOR    |
| bupropion                 | WELLBUTRIN |
| sertraline                | ZOLOFT     |
| venlafaxine hydrochloride | EFFEXOR    |
| citalopram Hbr            | CELEXA     |

#### **B. ANTIPSYCHOTIC MEDICATIONS**

Preferred: Risperdal

Non-preferred: Zyprexa, Clozapine, Abilify

Unclassified: Geodon; all traditional neuroleptics that are on-formulary

Non-formulary: Consta (see below)

|                               |           |
|-------------------------------|-----------|
| aripiprazole                  | ABILIFY   |
| haloperidol                   | HALDOL    |
| trifluoperazine               | STELAZINE |
| thioridazine                  | MELLARIL  |
| fluphenazine                  | PROLIXIN  |
| thiothixene                   | NAVANE    |
| loxapine                      | LOXITANE  |
| perphenazine                  | TRILAFON  |
| chlorpromazine (not spansule) | THORAZINE |
| clozapine (third line agent)  | CLOZARIL  |
| risperidone (first choice)    | RISPERDAL |
| olanzapine                    | ZYPREXA   |
| quetiapine fumarate           | SEROQUEL  |
| ziprazidone (first choice)    | GEODON    |
| paliperidone                  | INVEGA    |

**C. MOOD STABILIZER MEDICATIONS**

Preferred: Valproic acid (generic); lithium carbonate  
Non-preferred: Trileptal; Topamax  
Unclassified: carbamazepine; Lamictal<sup>1</sup>

|                   |          |
|-------------------|----------|
| lithium carbonate |          |
| carbamazepine     | TEGRETOL |
| valproic acid     | DEPAKENE |

**D. ANTI-ANXIETY/HYPNOTIC MEDICATIONS**

Preferred: buspirone  
Non-preferred: none  
Controlled drugs: oral benzodiazepines require CAA approval  
Unclassified: intramuscular lorazepam; clomipramine (for OCD) and other tricyclics

|             |          |
|-------------|----------|
| lorazepam*  | ATIVAN   |
| clonazepam* | KLONOPIN |
| buspirone   | BUSPAR   |

**E. BETA ADRENERGIC RECEPTOR ANTAGONISTS**

Formulary drugs in this group are unclassified

|             |           |
|-------------|-----------|
| atenolol    | TENORMIN  |
| metoprolol  | LOPRESSOR |
| propranolol | INDERAL   |

**F. ANTI-PARKINSONIAN MEDICATIONS**

Formulary drugs in this group are unclassified

|                 |           |
|-----------------|-----------|
| trihexyphenidyl | ARTANE    |
| benztropine     | COGENTIN  |
| amantadine      | SYMMETREL |

---

<sup>1</sup> Lamictal is an expensive drug. Because its therapeutic profile is unique, targeting the depressive phase of bipolar disorder, we have not included it among the non-preferred drugs. Note that higher dosage forms (200mg) are not much more expensive than lower dosage forms (25mg). Although the PDR recommends divided dosing above 25mg, Lamictal's pharmacokinetics vary dramatically with co-administration of other anticonvulsants. This should be considered when deciding whether to divide doses in a particular case.

## 8. EYE, EAR AND NOSE

### A. EYE

#### 1. ANTI-INFECTIVES (OPHTHALMIC)

|                                    |                      |
|------------------------------------|----------------------|
| gentamicin                         | GARAMYCIN (\$)       |
|                                    | GENOPTIC (\$)        |
| trifluridine                       | VIROPTIC (\$\$\$\$)  |
| tobramycin and dexamethasone       | TOBRADEX (\$)        |
| ofloxacin ophthalmic solution 0.3% | OCUFLOX (\$\$\$\$\$) |
| erythromycin oint 0.5%             | ILOTYCIN             |
| tobramycin 0.3% sol                | TOBREX               |
| tobramycin 0.3% oint               | TOBREX               |

#### 2. ANTI-INFLAMMATORIES

|  |                      |
|--|----------------------|
| dexamethasone                                | MAXIDEX (\$\$)       |
|  | DECADRON (\$\$)      |
| neomycin/dexamethasone/polymyxin             | MAXITROL (\$)        |
| prednisolone acetate                         | PRED MILD/FORTE (\$) |
| neomycin/bacitracin/polymyxin/hydrocortisone | CORTISPORIN          |
| fluorometholone                              | F.M.L. (\$\$\$)      |
|  | VASOCIDIN (\$\$\$)   |
| ketorolac                                    | ACULAR (\$\$\$\$)    |
| azelastine 0.5 mg/ml                         | OPTIVAR              |
| loteprednol 0.2%                             | ALREX                |

#### 3. ANTIGLAUCOMA AGENTS

##### ORAL

|               |                 |
|---------------|-----------------|
| acetazolamide | DIAMOX (\$\$\$) |
|---------------|-----------------|

##### TOPICAL

|                       |                       |
|-----------------------|-----------------------|
| brimonidine tartarate | ALPHAGAN              |
| travoprost 0.004%     | TRAVATAN              |
| levobunolol           | BETAGAN (\$\$)        |
| timolol oph.          | TIMOPTIC (\$)         |
| betaxolol             | BETOPTIC (\$\$\$\$\$) |
| latanoprost           | XALATAN (\$\$\$\$\$)  |
| dorzolamide/timolol   | COSOPT                |

#### 4. MISCELLANEOUS OPHTHALMIC DRUGS

|                               |                |
|-------------------------------|----------------|
| naphazoline                   | VASOCON (\$\$) |
|                               | ALBALON        |
| tropicamide                   | MYDRIACYL      |
| artificial tears              | (\$)           |
| fluorescein strips            | (\$)           |
| phenylephrine 2.5 & 10.0% sol | NEO-SYNEPHRINE |
| isopto-homatropine 5.0%       | HOMATROPINE    |
| cyclopentolate                | CYCLOGYL       |
|                               | FLUOROX        |
| tetracaine HCl 0.5%           |                |
| loxamide 0.1%                 | ALOMIDINE      |

**B. EAR**  
**1. ANTI-INFECTIVES AND OTHER DRUGS**  
 polymyxin/neomycin/hydrocortisone CORTISPORIN OTIC (\$\$\$)

**C. NOSE**  
**1. NASAL**  
 Saline Nasal Spray (\$)

**9. GASTROINTESTINAL DRUGS**

**A. DIARRHEA/ANTI-DIARRHEALS**  
 loperamide OTC IMODIUM A-D (\$)

**B. DIGESTION**  
 Lactase (\$\$)  
 pancrelipase VIOKASE (\$\$\$\$\$)

**C. ANTIEMETICS**  
 metoclopramide REGLAN (\$)  
 prochlorperazine (not spansule) COMPAZINE (\$\$\$)  
 meclizine ANTIVERT (\$)  
 PHENERGAN

**D. ULCERS/GERD**  
 Antacids (magnesium-aluminum hydroxide) (\$)  
 sucralfate CARAFATE (\$\$\$\$)  
 ranitidine ZANTAC (\$\$)  
 alginate acid/simethicone GAVISCON (\$\$)  
 aluminum hydroxide AMPHOGEL (\$\$\$)  
 calcium carbonate Tums (restricted to dialysis patients)

**E. SPASM**  
 dicyclomine BENTYL (\$\$\$)  
 glycopyrrolate (INPATIENT ONLY) ROBINUL

**F. CATHARTICS/LAXATIVES/ANTI-HEMORRHOIDS**  
 bisacodyl tab DULCOLAX (\$)  
 bisacodyl supp (\$)  
 citrate of magnesia soln (\$)  
 docusate sodium cap COLASE (\$)  
 fleet enema  
 fleet prep kit #1  
 golytely lavage (\$\$\$)  
 psyllium mucilloid METAMUCIL (\$\$)  
 dibucaine ointment  
 anusol HC supp/cream  
 lactulose (\$)

**10. HORMONES**

**A. ADRENAL CORTICOSTEROIDS**

|                          |                   |
|--------------------------|-------------------|
| prednisone               | ORASONE (\$)      |
| hydrocortisone           | CORTEF (\$)       |
| dexamethasone            | DECADRON (\$)     |
| methylprednisolone       | MEDROL (\$\$\$\$) |
| triamcinolone acetoneide | KENALOG-10 (\$\$) |
|                          | KENALOG-40 (\$\$) |

**B. THYROID**

**1. THYROID AGENTS**

|                   |      |
|-------------------|------|
| levothyroxine tab | (\$) |
|-------------------|------|

**2. ANTITHYROID AGENTS**

|                      |                           |
|----------------------|---------------------------|
| methimazole tab      | TAPAZOLE (\$\$\$\$\$\$\$) |
| propylthiouracil tab | PTU (\$)                  |

**C. ANDROGEN HORMONE INHIBITOR**

|             |                          |
|-------------|--------------------------|
| finasteride | PROSCAR (\$\$\$\$\$\$\$) |
|-------------|--------------------------|

**D. GONADOTROPIN RELEASING HORMONE**

|                    |              |
|--------------------|--------------|
| Levprolide acetate | LUPRON DEPOT |
|--------------------|--------------|

**11. DIABETES MELLITUS**

**A. INSULINS**

|               |          |
|---------------|----------|
| NPH-human inj | (\$\$\$) |
| regular-human | (\$\$)   |
| 70/30 humulin | (\$\$\$) |

**B. ORAL AGENTS**

**1. SULFONYLUREAS**

|               |  |
|---------------|--|
| glyburide tab | DIABETA/MICRONASE(\$)                  |
| glipizide     | GLUCOTROL (SHORT<br>(ACTING ONLY) (\$) |

**2. PHENFORMINS**

|                           |                   |
|---------------------------|-------------------|
| metformin<br>ACTING ONLY) | GLUCOPHAGE (SHORT |
|---------------------------|-------------------|

**3. MISCELLANEOUS ANTIDIABETIC AGENTS**

|              |  |
|--------------|--|
| glucagon inj |  |
|--------------|--|

## 12. SKIN

|  |                                   |
|--|-----------------------------------|
| <b>A. ANTI-INFECTIVES (TOPICAL)</b>                                    |                                   |
| metronidazole gel  | METROGEL silver (\$\$\$\$) silver |
| sulfadiazine topical cream   | SILVADENE (\$)                    |
| bacitracin oint  | (\$)                              |
| clindamycin gel  | (\$\$)                            |
| neomycin/polymyxin B-irrig   | (\$)                              |
| triple antibiotic oint   | (\$)                              |
| <b>B. ANTIFUNGALS (TOPICAL)</b>  |                                   |
| nystatin cr/oint   | MYCOSTATIN (\$)                   |
|  | NILSTAT (\$)                      |
| nystatin/triamcinolone   | MYCOLOG II (\$\$)                 |
| ketoconazole   | NIZORAL (\$\$\$\$)                |
| clotrimazole soln  | (\$\$)                            |
| clotrimazole loz   | (\$\$)                            |
| clotrimazole tab   | (\$\$)                            |
| <b>C. SCABIES AND PEDICULUS</b>  |                                   |
| lindane lotion   | KWELL (\$\$)                      |
| permethrin 5% cream (for use with pregnant<br>or lactating women only) | ELIMITE (\$\$\$\$)                |
| <b>D. KERATOPLASTIC AGENTS</b>   | RID SHAMPOO                       |
| coal tar crm   | (\$)                              |
| coal tar gel   | (\$)                              |
| <b>E. ANTI-INFLAMMATORIES IN INCREASING STRENGTH (TOPICAL)</b>         |                                   |
| <b>GROUP VI</b>  |                                   |
| fluocinolone acetonide soln 0.01%                                      | SYNALAR (\$)                      |
| betamethasone valerate lot 0.1%  | VALISONE (\$)                     |
| <b>GROUP V</b>   |                                   |
| triamcinolone acetone lot 0.1%   | KENALOG (\$)                      |
| betamethasone valerate crm 0.1%  | VALISONE (\$)                     |
| fluocinolone acetonide crm 0.025%                                      | SYNALAR (\$)                      |
| betamethasone dipropionate lot 0.05%                                   | DIPROSONE (\$)                    |
| <b>GROUP IV</b>  |                                   |
| triamcinolone acetone oint 0.1%  | KENALOG (\$)                      |
| fluocinolone acetone oint 0.025%                                       | SYNALAR (\$)                      |
| <b>GROUP III</b>   |                                   |
| triamcinolone acetone cream 0.5%                                       | KENALOG (\$)                      |
| betamethasone valerate oint 0.1%                                       | VALISONE (\$)                     |
| betamethasone dipropionate crm 0.05%                                   | DIPROSONE (\$)                    |
| <b>GROUP II</b>  |                                   |
| betamethasone dipropionate oint 0.05%                                  | DIPROSONE (\$)                    |
| fluocinonide crm/gel 0.05%   | LIDEX (\$)                        |
| fluocinonide oint 0.05%  | LIDEX (\$)                        |

- F. KERATOLYTICS**  
 salicylic acid DUO-FILM (\$)  
 OCCLUSAL-HP (\$) (\$)  
 KERALYT (\$) (\$)  
 podophyllum soln (\$)  
 urea lotion (\$)  
 trichloroacetic acid solution (\$)  
 podofilox CONDYLOX (solution & gel)  
 (\$\$\$\$\$\$)
- G. ANTIPRURITICS & LOCAL ANESTHETIC**  
 benzocaine spr (INPATIENT ONLY)  
 calamine lot (\$)  
 xylocaine viscous LIDOCAINE (\$)  
 xylocaine (injectable): with and without LIDOCAINE (\$)  
 epinephrine (\$)  
 chloroethane spr soln ETHYL CHLORIDE SPRAY (\$)  
 dibucaine oint DIBUCAINE (\$\$)
- H. ASTRINGENTS**  
 alum sulfate/calcium acetate tab (\$)
- I. MISCELLANEOUS SKIN & MUCOUS MEMBRANE AGENTS**  
 dextran polymer beads  
 fibrinolysin/desoxyribonuclease oint  
 fluorouracil crm  
 hydroactive dressing  
 mineral oil (restricted to dialysis patients only)
- J. ACNE**  
 tretinoin cream RETIN A (\$\$\$\$\$\$)

**13. WOMENS HEALTH**

- A. ORAL CONTRACEPTIVES**  
**MONOPHASIC**  
 norethindrone/mestranol ORTHO-NOVUM 1/50  
 rethindrone/ethinyl estradiol ORTHO-NOVUM 1/35  
 ORTHO-NOVUM 7-7-7  
 norgestrel/ethinyl estradiol LO/OVRAL (\$\$\$\$\$)  
 OVRAL
- B. ESTROGENS**  
 estradiol, micronized ESTRACE (\$)  
 estrogens, conjugated PREMARIN (AND CRM)(\$\$\$\$)
- C. PROGESTINS**  
 medroxyprogesterone acetate PROVERA (\$)  
 megestrol acetate MEGACE  
 medroxyprogesterone acetate depo inj. DEPO-PROVERA

- D. VAGINAL AGENTS**  
 metronidazole vaginal gel  
 clindamycin vaginal cream

METRO GEL-VAGINAL  
 CLEOCIN 2% VAG. CR.

**14. RESPIRATORY DRUGS**

**A. THEOPHYLLINES**

- aminophylline inj (INPATIENT ONLY) (\$)  
 theophylline-anhydrous tab (\$)  
 theophylline-anhydrous soln (\$\$\$)  
 theophylline - Long Acting (\$\$\$\$)

**B. BETA AGONISTS (INJECTION)**

- terbutaline sulfate inj. BRETHINE

**C. INHALERS**

**1. STEROID/ANTI-INFLAMMATORY INHALERS**

- beclomethasone QUAR

**2. MISCELLANEOUS INHALERS**

- cromolyn sodium INTAL (\$\$\$\$\$\$\$)

**3. BRONCHODILATOR INHALERS**

- albuterol PROVENTIL (\$)  
 ipratropium ATROVENT (\$\$\$\$\$)

**D. BRONCHODILATOR SOLUTIONS**

- ipratropium inhalant soln ATROVENT (\$\$\$\$\$)  
 albuterol (\$\$\$\$)

**E. ANTIHISTAMINES**

**1. PHENOTHIAZINES**

- promethazine PHENERGAN (\$)

**2. ETHANOLAMINES**

- diphenhydramine injectable (Emergency Box only)  
 diphenhydramine 50mg (Emergency Box and prisoners  
 on dialysis only)

**F. MISCELLANEOUS**

- epinephrine auto-injector EPIPEN (\$\$\$\$\$)

## 15. SUPPLEMENTS

### A. MINERALS

#### 1. TABLETS

potassium chloride tab  
ferrous sulfate tabs

#### 2. SOLUTIONS/INJECTIONS

calcium gluconate inj (INPATIENT ONLY)  
NaCl soln  
NaCl bacteriostatic inj  
potassium chloride soln  
bacteriostatic water  
potassium chloride inj (INPATIENT ONLY)  
iron dextran inj

### B. VITAMINS

#### 1) Vitamin B Group

cyanocobalamin inj  
folic acid tab  
nicotinic acid tab  
pyridoxine tab  
thiamine tab  
thiamine inj

#### 2) Other Vitamins

calcitriol

ROCALTROL (restricted to dialysis patients only)

#### 3) Multivitamin Preparations

infusion inj  
nephrocaps cap  
prenatal tab

## 16. MISCELLANEOUS DRUGS

### A. ALKALINIZING AGENTS

sodium bicarbonate inj

### B. ANESTHETICS (ALL INPATIENT ONLY)

Forane Inhalant 125ml  
Pentothal 500mg IV  
Sublimaze 5ml IV  
Sufenta 50meg/ml 2ml  
Inapsine 2.5mg/ml 2ml  
Suprane INH. Solution (Desflurane) 240ml  
Midazolam 2mg/ml  
Vecuronium Br Norcuron 1mg/ml 10ml  
Diprivan 10mg/ml 20ml  
Diprivan 50cc Jug

### C. ANTI-INFECTIVES

silver nitrate

|           |  |                       |
|-----------|--|-----------------------|
| <b>D.</b> | <b>CALORIC AGENTS</b><br>dextrose soln 50%   |                       |
| <b>E.</b> | <b>IRRIGATING SOLUTIONS</b><br>NaCl irr<br>sterile water soln  |                       |
| <b>F.</b> | <b>POTASSIUM-REMOVING RESINS</b><br>sodium polystyrene sulfonate susp  | KAYEXALATE            |
| <b>G.</b> | <b>PHOSPHOROUS-REMOVING RESINS</b><br>calcium acetate<br>sevelamer hydrochloride   | PHOSLO<br>RENAGEL     |
| <b>H.</b> | <b>ROENTGENOGRAPHY</b><br>iopanoic acid tab<br>sodium diatrizoate inj  |                       |
| <b>I.</b> | <b>TOXOIDS/VACCINES</b><br>diphtheria/tetanus inj<br>tetanus inj<br>hepatitis B virus inact inj<br>influenza trivalent adult inj<br>pneumococcal polyvalent inj<br>MMR vaccine<br>measles vaccine<br>rubella vaccine<br>Hepatitis A Vaccine, Inactivated<br>Hepatitis A Inactivated<br>& Hepatitis B (Recombinant) Vaccine | HAVRIX<br>TWINRIX     |
| <b>J.</b> | <b>UNCLASSIFIED THERAPEUTIC AGENTS</b><br>rhogam<br>chlorhexadine gluconate 0.12% oral rinse   | PERIDEX               |
| <b>K.</b> | <b>URINARY TRACT AGENTS</b><br><b>ANTISPASMODICS</b><br>oxybutynin   | DITROPAN TABLETS (\$) |
|           | <b>ANALGESIC</b><br>phenazopyridine HCl  | PYRIDIUM (\$)         |
|           | <b>BENIGN PROSTATIC HYPERPLASIA (BPH) THERAPY</b><br>tamsulosin HCL  | FLOMAX (\$\$\$\$\$)   |

**17. RESTRICTED DRUG LIST**  
**Michigan Department of Corrections**

Restricted medication is defined as medication which is administered by a nurse. When taken orally all restricted medication must be observed being ingested.

All additions to or deletions from the restricted drug list shall be conveyed to the Deputy Director of Correctional Facilities Administration, for dissemination along the custody chain of command, by the Chief Medical Officer.

When a medication is restricted at a particular facility, the Warden of the facility will be notified by the Regional Medical Officer. This is to occur when the temporary restriction is imposed and again when it is lifted.

- A. Psychotropics  
All medication listed in Section 7 – Psychiatric (when ordered by a psychiatrist)  
Non psychotropics when used for psychiatric reasons:
  - Benztropine Mesylate (COGENTIN)
  - Trihexyphenidyl HCl (ARTANE)
  - Diphenhydramine (BENEDRYL)
  
- B. All scheduled medications
  - Meperidine hydrochloride (DEMEROL)
  - Phenobarbital
  
- C. Drugs with high potential for abuse
  - Cyclobenzaprine HCl (FLEXERIL)
  - Primidone (MYSOLINE)
  - Prochlorperazine (COMPazine)
  - Promethazine HCl (PHENERGAN)
  - Trimethobenzamide HCl (TIGAN)
  - Baclofen (LIORESAL)
  - Clonidine (CATAPRES)
  - Tramadol hydrochloride (ULTRAM)
  - Podofilox (CONDYLOX)
  
- D. Others
  - All Injectables
  - INH
  - ALL Anti-Tuberculosis Agents
  - RIBAVIRIN

# APPENDIX G: CLIENT CENSUS SUMMARY REPORT

DATE: 07/25/08  
 PAGE: 1  
 FORMAT: WEEKLY

MICHIGAN DEPARTMENT OF CORRECTIONS  
 CLIENT CENSUS SUMMARY REPORT  
 REPORT NO. CB971

| PRISONER LOCATION<br>(MALES)             | TOTAL<br>CAPACITY | NET<br>OPERATING<br>CAPACITY | TOTAL<br>OPERATING<br>COUNT | +/-<br>CAPACITY<br>CHANGE | +/-<br>WEEK<br>CHANGE | *** CLASSIFICATION BREAKDOWN *** |       |        |        |              | ** HOUSING **    |       |       |
|--|-------------------|------------------------------|-----------------------------|---------------------------|-----------------------|----------------------------------|-------|--------|--------|--------------|------------------|-------|-------|
|  |                   |                              |                             |                           |                       | MAX                              | CLOSE | MED    | MIN    | ADMIN<br>SEG | MENTAL<br>HEALTH | OTHER |       |
| ACF-FLORENCE CRANE CORRECTIONAL FAC.     | 1,063             | 1,061                        | 1,053                       | -8                        | -3                    | 0                                | 0     | 0      | 1,044  | 0            | 0                | 0     | 9     |
| AMP-BARAGA MAXIMUM FACILITY              | 896               | 866                          | 864                         | -2                        | -1                    | 252                              | 0     | 172    | 698    | 0            | 0                | 0     | 41    |
| ARP-GUS HARRISON CORRECTIONAL FACILITY   | 1,164             | 1,140                        | 1,114                       | -26                       | +9                    | 0                                | 0     | 0      | 1,117  | 0            | 0                | 102   | 25    |
| ATP-PARR HIGHWAY CORRECTIONAL FACILITY   | 1,202             | 1,195                        | 1,195                       | -5                        | +0                    | 0                                | 0     | 0      | 1,191  | 0            | 0                | 0     | 4     |
| DRP-CARSON CITY CORRECTIONAL FACILITY    | 1,246             | 1,232                        | 1,233                       | +1                        | +5                    | 0                                | 0     | 372    | 719    | 0            | 0                | 0     | 22    |
| ECF-OAKS CORRECTIONAL FACILITY           | 999               | 951                          | 939                         | -12                       | +2                    | 0                                | 0     | 686    | 0      | 0            | 232              | 0     | 21    |
| HTP-HIAWATHA CORRECTIONAL FACILITY       | 1,202             | 1,200                        | 1,188                       | -12                       | +4                    | 0                                | 0     | 0      | 1,188  | 0            | 0                | 0     | 0     |
| HVM-HURON VALLEY CORRECTIONAL FACILITY   | 554               | 491                          | 500                         | +9                        | +2                    | 0                                | 0     | 74     | 0      | 0            | 0                | 0     | 189   |
| IBC-BELLAMY CREEK CORRECTIONAL FACILITY  | 1,888             | 1,864                        | 1,853                       | -11                       | -2                    | 0                                | 468   | 705    | 347    | 116          | 0                | 237   | 217   |
| ICF-IONIA MAXIMUM CORRECTIONAL FACILITY  | 706               | 668                          | 637                         | -31                       | +8                    | 216                              | 0     | 274    | 0      | 67           | 24               | 0     | 56    |
| ITP-DEERFIELD CORRECTIONAL FACILITY      | 1,200             | 1,191                        | 1,191                       | -9                        | -8                    | 0                                | 0     | 159    | 705    | 0            | 0                | 0     | 0     |
| JCF-CORTON CORRECTIONAL FACILITY         | 1,854             | 1,814                        | 1,807                       | -7                        | +1                    | 0                                | 0     | 0      | 890    | 0            | 0                | 0     | 53    |
| JCS-COOPER STREET CORRECTIONAL FACILITY  | 1,752             | 1,750                        | 1,735                       | -15                       | -16                   | 0                                | 0     | 0      | 1,248  | 0            | 0                | 0     | 487   |
| KCF-KINROSS CORRECTIONAL FACILITY        | 1,837             | 1,798                        | 1,789                       | -9                        | +5                    | 0                                | 0     | 0      | 1,467  | 15           | 0                | 0     | 31    |
| KTF-STRAITS CORRECTIONAL FACILITY        | 1,122             | 1,117                        | 1,112                       | -5                        | +2                    | 0                                | 0     | 0      | 1,112  | 0            | 0                | 0     | 0     |
| LCP-LAKELAND MEN'S CORRECTIONAL FACILITY | 1,344             | 1,333                        | 1,326                       | -7                        | -2                    | 0                                | 0     | 0      | 1,241  | 0            | 0                | 0     | 85    |
| LMP-ALGER MAXIMUM FACILITY               | 536               | 525                          | 497                         | -28                       | +3                    | 242                              | 0     | 0      | 0      | 246          | 2                | 7     | 0     |
| LRF-BROOKS CORRECTIONAL FACILITY         | 1,246             | 1,235                        | 1,231                       | -4                        | +1                    | 0                                | 379   | 714    | 118    | 3            | 0                | 0     | 17    |
| MBP-MARQUETTE BRANCH PRISON              | 1,216             | 1,198                        | 1,164*                      | -34                       | -7                    | 358                              | 0     | 0      | 660    | 123          | 0                | 0     | 23    |
| MCP-MUSKOGON CORRECTIONAL FACILITY       | 1,338             | 1,330                        | 1,316                       | -14                       | -3                    | 0                                | 0     | 1,308  | 0      | 0            | 0                | 0     | 8     |
| MPP-PUGSLEY CORRECTIONAL FACILITY        | 1,160             | 1,158                        | 1,148                       | -10                       | +6                    | 0                                | 0     | 0      | 1,148  | 0            | 0                | 0     | 0     |
| MRF-MACOMB CORRECTIONAL FACILITY         | 1,246             | 1,234                        | 1,216                       | -18                       | +7                    | 0                                | 373   | 707    | 119    | 0            | 0                | 0     | 17    |
| MTP-WEST SHORELINE CORRECTIONAL FACILITY | 1,202             | 1,200                        | 1,188                       | -12                       | +1                    | 0                                | 0     | 0      | 1,187  | 0            | 0                | 0     | 1     |
| MTU-RICHARD A. HANDLON CORRECTIONAL FACI | 1,294             | 1,234                        | 1,261                       | +27                       | -6                    | 0                                | 0     | 0      | 927    | 0            | 0                | 303   | 31    |
| NCF-NEWBERRY CORRECTIONAL FACILITY       | 982               | 977                          | 975                         | -2                        | +1                    | 0                                | 0     | 0      | 970    | 0            | 0                | 0     | 5     |
| NRF-MOUND CORRECTIONAL FACILITY          | 1,070             | 1,060                        | 1,032                       | -28                       | +2                    | 0                                | 0     | 1,022  | 0      | 0            | 0                | 0     | 10    |
| OCP-OJEBWAY CORRECTIONAL FACILITY        | 1,090             | 1,090                        | 1,065                       | -25                       | -16                   | 0                                | 0     | 0      | 1,063  | 0            | 0                | 0     | 2     |
| OTF-BOYER ROAD CORRECTIONAL FACILITY     | 1,202             | 1,200                        | 1,197                       | -3                        | -1                    | 0                                | 0     | 0      | 1,194  | 0            | 0                | 0     | 3     |
| RGC-CHARLES EGELER RECEPTION & GUIDANCE  | 1,380             | 1,376                        | 1,261                       | -115                      | +4                    | 0                                | 0     | 0      | 82     | 28           | 0                | 0     | 1,151 |
| RMT-MICHIGAN REFORMATORY                 | 1,189             | 1,159                        | 1,161                       | +2                        | -6                    | 0                                | 784   | 341    | 0      | 0            | 0                | 0     | 36    |
| RRF-RYAN CORRECTIONAL FACILITY           | 1,066             | 1,054                        | 1,036                       | -18                       | +5                    | 0                                | 0     | 1,028  | 0      | 2            | 0                | 0     | 6     |
| SLF-ST. LOUIS CORRECTIONAL FACILITY      | 1,243             | 1,224                        | 1,215                       | -9                        | -2                    | 0                                | 757   | 375    | 0      | 71           | 0                | 12    | 154   |
| SMP-STANDISH MAXIMUM FACILITY            | 604               | 579                          | 558                         | -21                       | -1                    | 250                              | 0     | 0      | 0      | 153          | 1                | 1     | 5     |
| SMT-PARNALL CORRECTIONAL FACILITY        | 1,696             | 1,696                        | 1,693                       | -3                        | +2                    | 0                                | 0     | 0      | 1,688  | 0            | 0                | 0     | 0     |
| SPR-PINE RIVER CORRECTIONAL FACILITY     | 1,202             | 1,200                        | 1,191                       | -9                        | -5                    | 0                                | 0     | 0      | 1,191  | 0            | 0                | 0     | 0     |
| SRF-SAGINAW CORRECTIONAL FACILITY        | 1,486             | 1,476                        | 1,462                       | -14                       | +9                    | 0                                | 607   | 715    | 117    | 0            | 0                | 0     | 23    |
| STP-MID-MICHIGAN CORRECTIONAL FACILITY   | 1,202             | 1,200                        | 1,190                       | -10                       | -3                    | 0                                | 0     | 0      | 1,190  | 0            | 0                | 0     | 0     |
| TCP-THUMB CORRECTIONAL FACILITY          | 1,216             | 1,203                        | 1,185                       | -18                       | -5                    | 0                                | 0     | 753    | 0      | 0            | 0                | 0     | 432   |
| URP-CHIPPEWA CORRECTIONAL FACILITY       | 1,150             | 1,133                        | 1,127                       | -6                        | -7                    | 0                                | 189   | 705    | 118    | 63           | 0                | 0     | 52    |
| CFA MALE INSTITUTIONS                    | 47,045            | 46,426                       | 45,905                      | -521                      | -19                   | 1,318                            | 5,020 | 16,568 | 17,706 | 1,389        | 669              | 3,235 |       |

NOTE: (\*) - INDICATES THAT THE INSTITUTIONAL COUNTS WERE NOT ENTERED IN A TIMELY MANNER

# APPENDIX G: CLIENT CENSUS SUMMARY REPORT

DATE: 07/25/08  
 PAGE: 2  
 FORMAT: WEEKLY

MICHIGAN DEPARTMENT OF CORRECTIONS  
 CLIENT CENSUS SUMMARY REPORT  
 REPORT NO. CB971

| PRISONER LOCATION<br>(MALES) | TOTAL<br>CAPACITY | NET<br>OPERATING<br>CAPACITY | TOTAL<br>OPERATING<br>COUNT | +/-<br>CAPACITY<br>CHANGE | +/-<br>WEEK<br>CHANGE | *** CLASSIFICATION BREAKDOWN *** |       |        |        |              | ** HOUSING **    |       |
|------------------------------|-------------------|------------------------------|-----------------------------|---------------------------|-----------------------|----------------------------------|-------|--------|--------|--------------|------------------|-------|
|                              |                   |                              |                             |                           |                       | MAX                              | CLOSE | MED    | MIN    | ADMIN<br>SEG | MENTAL<br>HEALTH | OTHER |
| CCU-CAMP CUSINO              | 320               | 320                          | 313                         | -7                        | -3                    | 0                                | 0     | 0      | 313    | 0            | 0                | 0     |
| CDW-CAMP BRANCH              | 710               | 709                          | 681                         | -28                       | -1                    | 0                                | 0     | 0      | 681    | 0            | 0                | 0     |
| CKT-CAMP KITWEN              | 288               | 288                          | 277                         | -11                       | -3                    | 0                                | 0     | 0      | 277    | 0            | 0                | 0     |
| CLE-CAMP LEHMAN              | 582               | 580                          | 567                         | -13                       | -8                    | 0                                | 0     | 0      | 567    | 0            | 0                | 0     |
| COT-CAMP OTTAWA              | 288               | 288                          | 287                         | -1                        | -1                    | 0                                | 0     | 0      | 287    | 0            | 0                | 0     |
| CFA MALE CAMPS               | 2,188             | 2,185                        | 2,125                       | -60                       | -16                   | 0                                | 0     | 0      | 2,125  | 0            | 0                | 0     |
| CFA MALE TOTAL               | 49,233            | 48,611                       | 48,030                      | -581                      | -35                   | 1,318                            | 5,020 | 16,568 | 19,831 | 1,389        | 669              | 3,235 |

## PRISONER LOCATION (FEMALES)

|                                  |        |        |        |      |     |       |       |        |        |       |     |       |
|----------------------------------|--------|--------|--------|------|-----|-------|-------|--------|--------|-------|-----|-------|
| SCF-SCOTT CORRECTIONAL FACILITY  | 908    | 880    | 848*   | -32  | -3  | 20    | 129   | 540    | 84     | 6     | 0   | 69    |
| WHV-HURON VALLEY COMPLEX - WOMEN | 929    | 903    | 878    | -25  | -4  | 0     | 0     | 272    | 518    | 0     | 63  | 25    |
| CVH-CAMP VALLEY                  | 232    | 232    | 216    | -16  | +2  | 0     | 0     | 0      | 216    | 0     | 0   | 0     |
| CWL-CAMP WHITE LAKE              | 160    | 160    | 118*   | -42  | -6  | 0     | 0     | 0      | 118    | 0     | 0   | 0     |
| CFA FEMALE TOTAL                 | 2,229  | 2,175  | 2,060  | -115 | -11 | 20    | 129   | 812    | 936    | 6     | 63  | 94    |
| CFA INST/CAMP TOTAL              | 51,462 | 50,786 | 50,090 | -696 | -46 | 1,338 | 5,149 | 17,380 | 20,767 | 1,395 | 732 | 3,329 |
| ZPF-FEMALE PRISONER SAI          | 27     | 21     | 14     | -7   | +2  | 0     | 0     | 0      | 14     | 0     | 0   | 0     |
| ZPM-MALE PRISONER SAI            | 263    | 174    | 106    | -68  | -6  | 0     | 0     | 0      | 106    | 0     | 0   | 0     |
| PRISONER SAI TOTAL               | 290    | 195    | 120    | -75  | -4  | 0     | 0     | 0      | 120    | 0     | 0   | 0     |
| ** CFA TOTAL:                    | 51,752 | 50,981 | 50,210 | -771 | -50 | 1,338 | 5,149 | 17,380 | 20,887 | 1,395 | 732 | 3,329 |
| JLS-PRISONERS IN COUNTY JAILS    | 0      | 0      | 41*    | +41  | -4  | 0     | 0     | 0      | 41     | 0     | 0   | 0     |
| ** CFA GRAND TOTAL:              | 51,752 | 50,981 | 50,251 | -730 | -54 | 1,338 | 5,149 | 17,380 | 20,928 | 1,395 | 732 | 3,329 |

NOTE: (\*) - INDICATES THAT THE INSTITUTIONAL COUNTS WERE NOT ENTERED IN A TIMELY MANNER

1. NOTE - NET OPERATING CAPACITY EXCLUDES BEDS NOT AVAILABLE FOR PERMANENT PRISONER PLACEMENT (DETENTION, OUT OF SERVICE, VACANT SPECIAL USE, ON-HOLD BEDS).



STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

January 24, 2008

**CHANGE NOTICE NO. 5 (REVISED\*)**  
**OF**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>September 30, 2008*</b>  |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

Effective January 15, 2008, the following change is made to this Contract:

- The State exercises six months of an option year, extending the Contract expiration date to September 30, 2008\*.
- Funds in the amount of \$18,000,000.00 are ADDED to this Contract.
- The attached Contract changes are hereby made to this Contract (see attachments).

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request, (PRF dated 12/18/2007), Ad Board approval on 1/15/08, and DMB/Purchasing Operations' approval.

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$78,754,200.22**

**The terms and conditions of Pharmacorr Contract # 071B6200211 shall be revised to include the following:**

**Packaging / Bundling**

Section 1.003 (I) shall be replaced with the following language:

Medications are to be delivered sorted by regular medication and controlled medication. All restricted medications are to have clearly identifiable prescription labels. CMS shall propose how they will label the restricted medications.

**Electronic Connection**

Section 1.003 (D)

Add (c)

Pharmacorr will install and have operational electronic connections between Serapis and Frameworks pharmacy software at all correctional facilities by the end of February. Within 10 days of change notice, Pharmacorr will work with MDOC to create and finalize a prioritized installation list as part of the implementation plan.

Once successfully installed, fully operational, and in use, the facility will be charged an additional \$0.10 per prisoner per month (PMPM).

DWH, RGC and C-unit will be exempt from the additional \$0.10 PMPM for the duration of the Contract.

**e-Papyrus**

e-Papyrus is no longer a part of this Contract.

**Auto Refills**

The following language shall be inserted at the beginning of Section 1.001 Bullet Number Two shall be replaced with the following language:

The Contractor must be capable of providing and delivering

Section 1.003 (D)

Add (c)

The Contractor must be capable of providing and delivering automatic refill of any medication ordered by a medical service provider that is not PRN (as needed) will take place without a request and/or reminder from MDOC

**Pharmacist Raises**

Appendix A (3)

The on-site pharmacist hourly rate shall be increased 3% from \$55.00 per hour to \$56.65 per hour.

Pharmacorr shall indicate their agreement to the above contract terms and conditions revisions by signing this document. Pharmacorr will fax back one copy by no later than Monday December 10<sup>th</sup> by 5:00 pm, and will mail one hard copy original.

*RH Miles*

*12-10-07*

Authorized Signatory  
PharmaCorr, LLC  
Richard H. Miles, President

Date

*TJA* *18*

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

July 19, 2007

**CHANGE NOTICE No. 4**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>March 31, 2008</b>   |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

Effective July 20, 2007, the following TEMPORARY change is made to this Contract:

The job category of the Pharmacy Manager, representing the "Pharmacist in Charge" is added as temporary staffing to fill civil servant vacancies. The pay rate for Pharmacy Manager is up to \$65.00 per hour.

**AUTHORITY/REASON:**

Per agency request, (PRF dated 7/13/07) and DMB/Purchasing Operations' approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$60,754,200.22**

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

June 25, 2007

**CHANGE NOTICE No. 3**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| PharmaCorr LLC<br>12647 Olive Boulevard<br>St. Louis, MO 63141   |                                      |  |
| <a href="mailto:rheflin@pharmacorr.com">rheflin@pharmacorr.com</a>   |                                      | BUYER/CA (517) 373-8530<br>Rebecca Nevai                               |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>March 31, 2008</b>   |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

Effective June 22, 2007, the State is exercising nine (9) months of an option year to move the Contract expiration date out to March 31, 2008.

Funds in the amount of \$29,297,338.22 are added to the Contract. NOTE: The Buyer is changed to Rebecca Nevai (517) 373-8530.

**AUTHORITY/REASON:**

Per agency request, vendor agreement (letter dated 6/11/07), AdBoard approval on 6/19/07, and DMB/Purchasing Operations.

**INCREASE: \$29,297,338.22**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$60,754,200.22**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

April 19, 2007

**CHANGE NOTICE No. 2**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |                                      |  |
|--|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR   |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| <b>PharmaCorr LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b>  |                                      |  |
| rheflin@pharmacorr.com   |                                      | BUYER/CA (517) 373-4245<br><b>Darleen Burnham-Heim, CPPB</b>           |
| Contract Compliance Inspector: Barry Wickman 517-373-4568 wickmabl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>July 1, 2007</b>   |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days   | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |                                      |  |

**NATURE OF CHANGE (S):**

The following clarification is added to the contract language:

A Change Notice to "Section 1.001 Project Identification" of contract #071B6200211 will be initiated to clarify the following sentence: "Pharmacy service to all facility ambulatory clinics not serviced by these two pharmacies must also be included in the plan."

The contract Change Notice will add the following clarification to this paragraph:

**"The PIPM Administrative Fee identified in Appendix A – Pricing Matrix, item number 4 as Prescription Filling Services Charges is only applicable to count in facilities not currently being serviced by the State Pharmacies at Huron Valley Complex (HVC) and Duane Water Hospital (DWH)."**

The clarification Change Notice will be effective according to contract conception on 7/1/06.

Also note the Contract Compliance Inspector is changed to Barry Wickman (517) 373-4568, wickmabl@michigan.gov.

**AUTHORITY/REASON:**

**Per agency (Barry Wickman), Purchasing Operations, and vendor (Reed Heflin) agreement in letter dated February 7, 2007.**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: 31,456,862.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

June 9, 2006

**CHANGE NOTICE No. 1**  
**TO**  
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|   |                                      |  |
|---|--------------------------------------|--|
| NAME & ADDRESS OF VENDOR  |                                      | TELEPHONE N.Reed Heflin<br>(800) 616-6264 ext 9708<br>Fax 314-919-8909 |
| <b>PharmaCorr LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b>   |                                      |  |
| rheflin@pharmacorr.com  |                                      | BUYER/CA (517) 373-4245<br><b>Darleen Burnham-Heim, CPPB</b>           |
| Contract Compliance Inspector: Ray Tamminga 517-373-3629 tamminrl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |  |
| CONTRACT PERIOD: From: <b>July 1, 2006</b> To: <b>July 1, 2007</b>  |                                      |  |
| TERMS<br>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days  | SHIPMENT<br><b>AmerisourceBergen</b> |  |
| F.O.B.<br><b>Delivered</b>  | SHIPPED FROM<br><b>Warehouse</b>     |  |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>  |                                      |  |

**NATURE OF CHANGE (S):**

The Contract period will be July 1, 2006 to July 1, 2007, as current Contract #071B4200281 expires on July 1, 2006.

**AUTHORITY/REASON:**

Per agency (Ray Tamminga), vendor (Reed Heflin) and Purchasing Operations agreement.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: 31,456,862.00**

**STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933**

May 19, 2006

**NOTICE  
 OF  
 CONTRACT NO. 071B6200211  
 between  
 THE STATE OF MICHIGAN  
 and**

|   |                                      |   |
|---|--------------------------------------|---|
| NAME & ADDRESS OF VENDOR<br><br><b>PharmaCorr LLC<br/>12647 Olive Boulevard<br/>St. Louis, MO 63141</b>   |                                      | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br>Fax 314-919-8909 |
|   |                                      |   |
| rheflin@pharmacorr.com  |                                      | BUYER/CA (517) 373-4245<br><b>Darleen Burnham-Heim, CPPB</b>                  |
| Contract Compliance Inspector: Ray Tamminga 517-373-3629 tamminrl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b> |                                      |   |
| CONTRACT PERIOD: From: <b>April 20, 2006</b> To: <b>May 1, 2007</b>   |                                      |   |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>   | SHIPMENT<br><b>AmerisourceBergen</b> |   |
| F.O.B.<br><b>Delivered</b>  | SHIPPED FROM<br><b>Warehouse</b>     |   |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>  |                                      |   |

The terms and conditions of this Contract are those of ITB #07116200050, this Contract Agreement and the vendor's quote dated 3/22/06. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$31,456,862.00**

STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

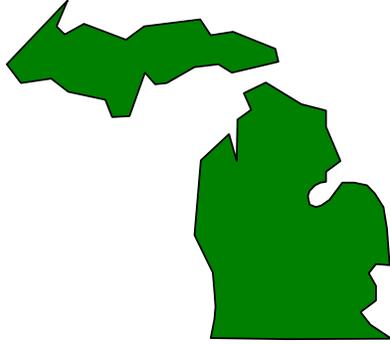
**CONTRACT NO. 071B6200211**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|  |  |
|--|--|
| NAME & ADDRESS OF VENDOR<br><br><b>PharmaCorr LLC</b><br><b>12647 Olive Boulevard</b><br><b>St. Louis, MO 63141</b><br><br><div style="text-align: right;">rheflin@pharmacorr.com</div>  | TELEPHONE N.Reed Heflin<br><b>(800) 616-6264 ext 9708</b><br><b>Fax 314-919-8909</b><br><br>BUYER/CA (517) 373-4245<br><b>Darleen Burnham-Heim, CPPB</b> |
| Contract Compliance Inspector: Ray Tamminga 517-373-3629 tamminrl@michigan.gov<br><b>Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists - DOC</b>  |  |
| CONTRACT PERIOD: From: <b>April 20, 2006</b> To: <b>May 1, 2007</b>  |  |
| TERMS<br><b>1% net 5 days, .85% net 10 days, .70% net 15 days, and .50% net 30 days</b>  | SHIPMENT<br><b>AmerisourceBergen</b>   |
| F.O.B.<br><b>Delivered</b>   | SHIPPED FROM<br><b>Warehouse</b>   |
| MINIMUM DELIVERY REQUIREMENTS<br><b>None</b>   |  |
| MISCELLANEOUS INFORMATION:<br><b>The terms and conditions of this Contract are those of ITB #07116200050, this Contract Agreement and the vendor's quote dated 3/22/06. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</b><br><br><b>Estimated Contract Value: \$31,456,862.00</b> |  |

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07116200050. Orders for delivery of services and commodities will be issued directly by the Department of Corrections through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

|   |   |
|---|---|
| <p><b>FOR THE VENDOR:</b></p> <p style="text-align: center;">_____<br/> <b>PharmaCorr LLC</b><br/>         Firm Name</p> <p style="text-align: center;">_____<br/>         Authorized Agent Signature</p> <p style="text-align: center;">_____<br/>         Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____<br/>         Date</p> | <p><b>FOR THE STATE:</b></p> <p style="text-align: center;">_____<br/>         Signature<br/> <b>Sean Carlson, Chief Procurement Officer</b><br/>         Name/Title<br/> <b>Purchasing Operations</b><br/>         Division</p> <p style="text-align: center;">_____<br/>         Date</p> |
|---|---|



**STATE OF MICHIGAN  
Department of Management and Budget  
Acquisition Services**

**Contract No. [071B6200211](#)  
Pharmacy Services Supporting MDOC and Two (2) Registered Pharmacists**

Buyer Name: Darleen Burnham-Heim, CPPB  
Telephone Number: 517-373-4245  
E-Mail Address: [burnhamd@michigan.gov](mailto:burnhamd@michigan.gov)

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**Article 1 – Statement of Work (SOW)**

**1.0 PROJECT IDENTIFICATION**

**1.001 PROJECT**

The Contract is for pharmacy services for prisoners in the Michigan Department of Corrections. This includes retaining current Civil Service pharmacists and replacing contractual pharmacists to work in the two on-site pharmacies called for in the Contract. The contract includes a plan for modernization of these State pharmacies to improve efficiency and effectiveness and will assist in modernization through equipment and computer system purchases to advance this task while providing savings to the State. Any such equipment or computer systems costs must be provided at no cost to MDOC and becomes the property of the state by termination. Pharmacy services to all facility ambulatory clinics not serviced by these two pharmacies must also be included in the plan.

- The Contract includes 100% of all rebates from MDOC drug purchases will be returned to MDOC via quarterly rebate checks. The checks will be mailed to:

State of Michigan  
 Department of Corrections  
 P.O. Box 30001  
 Lansing, Michigan 48909

Att: Terese London

- Automatic refill of any medication ordered by a Medical Service provider that is not PRN (as needed) will take place without a request and/or reminder from MDOC.
- The Contract Price Term is firm fixed for 365 days (excludes drug/pharmaceutical purchases). Prices quoted are the maximum for a period of 365 from the date the contract becomes effective.
- Contractor will supply to State of Michigan authorized MIDEAL Members and to other State Agencies under the same pricing structure, and terms and conditions of this Contract.
- The following **MDOC Requirements** are incorporated into this contract:

|   |                   |   |
|---|-------------------|---|
| <p><b>1. Group Purchasing Consortia:</b> To ensure the State is receiving the most competitive drug pricing available, the State requires that the contractor participate in one or more GPOs or other purchasing cooperatives (<i>GPO Example: MedAssets</i>).</p> | <p><b>Yes</b></p> | <p>PharmaCorr is currently under contract with MedAssets GPO. We also participate under a contract with the AmerisourceBergen Corporation’s <i>ProGenerics</i> GPO for generic pharmaceuticals.</p> |
| <p><b>2. Expensive Medications:</b> The contractor will</p>   | <p><b>Yes</b></p> | <p>PharmaCorr maintains a system to</p>   |





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|---|-------------------|---|
| <p>ensure the full six month supply is provided that is acceptable. It needs to be specified however and the State does not want to do a seventh reorder to cover the final days of the six months to make it happen.</p>   |                   | <p>cart. The final dosages of any six-month order will be sent with the last full month of medication to ensure that MDOC does not need to reorder medication for the final days of therapy.</p>  |
| <p><b>7. Electronic Medical Administration Records (E-MARs):</b> The contractor must provide an E-MAR reporting mechanism to the State at no cost.</p>  | <p><b>Yes</b></p> | <p>PharmaCorr’s electronic medical record, <i>ePapyrus</i>. We will provide the E-MAR, <i>ePapyrus</i>, at <u>no cost to the State</u>.</p>   |
| <p><b>8. Price Term:</b> Price is firm fixed for 365 days. This applies to all costs within the resulting contract, including but not limited to: the hourly pharmacist rate and the per inmate per month management fee (PMPM). The acquisition cost of pharmaceutical drugs will be priced minus discount rate with an additional rebate program in place for quarterly rebate checks mailed to MDOC.</p> | <p><b>Yes</b></p> | <p>The hourly pharmacist rate and PMPM are firm and fixed for 365 days.</p> <p>PharmaCorr’s methodology for determining acquisition cost of pharmaceuticals is acquisition cost net of all discounts received and verifiable by wholesaler or manufacturer invoice.</p> |
| <p><b>9. Rebates:</b> MDOC requests that 100% of all rebates received by the contractor (based on MDOC’s purchase of drugs) are paid to MDOC. This would include all retroactive rebates paid on a quarter and annual basis in addition to those provided at time of order.</p>   | <p><b>Yes</b></p> | <p>Pharmacorr will pay MDOC 100% of all rebates on a quarterly basis by issuance of a warrant.</p>  |

**1.002 BACKGROUND**

The Michigan Department of Corrections wishes to convert to a more modernized pharmaceutical distribution system to its approximately 50,000 prisoners at 42 correctional facilities (Client Census Report) \* SEE APPENDIX\* that include both a male and female reception center and a prison based accredited hospital. Expertise is needed to organize and set up the most accurate and cost-efficient method possible while guaranteeing in time delivery of all pharmaceutical needs.

**1.003 IN SCOPE**

The contractor will be responsible for the following:

- (A) Develop, implement, and administer a Pharmacy Services System that provides clinical support, managed care support, and consulting support in every aspect of the pharmacy services. Services must include advising on drug of choice, educating clinicians on drug interactions, new drug protocols and therapeutic utilization and support.



(B) Develop, implement and support an on-going program in preparing for and maintaining standards necessary to retain accreditation by the Joint Commission on Accreditation of Hospitals, or other accrediting agencies identified by the State. Failure on the part of the Contractor to retain accreditation due to pharmacy issues, directly related to Contract compliance, will result in a \$50,000.00 penalty payable to MDOC.

(C) Develop a Pharmacy Services System that will support all pharmacy services:

Retain a Clinical Pharmacist (minimum of 0.5 FTE) located in Michigan to monitor pharmacy services at MDOC facilities.

(D) Transmission of Prescription Orders:

a. Prescriptions will be transmitted to the pharmacy via an electronic modality and must interface with the MDOC Electronic Medical Record (EMR), SERAPIS (SEE APPENDIX for Additional SERAPIS Details) in all facilities which function under the EMR. Contractor is to establish procedures to verify completeness of transmitted order. Contractor must provide a toll-free transmission media.

b. Contractor must provide facility medical providers with the capability to electronically transmit prescription orders to the pharmacy for dispensing. Contractor shall identify the system/means of transmission, provide, install and maintain required necessary equipment, supporting hardware and software, and provide necessary training to accomplish the capability to function in an electronic environment. Equipment/system used by individual facility medical providers must, at a minimum, provide the following capabilities at each facility:

- i. Provide all patient data, e.g., inmate number, date of birth, drug allergies, necessary to input the prescription.
- ii. Provide available formulary.
- iii. Provide patient medication profile.
- iv. Provide notifications of contraindications, e.g., drug interactions, drug allergy, incorrect dose, non-formulary, etc.
- v. Provides ability to print a hard copy at the facility for all orders transmitted. This record will be used by staff to verify that orders transmitted are received within twenty-four (24) hours.

(E) Contractor shall be required to identify, install and maintain as required, an alternate means of transmitting prescription orders, e.g., fax, in event the primary system is non-operational, or if the provider is unable to transmit orders electronically.



- (F) Contractor shall assist facility personnel in developing and implementing, as part of the total Pharmacy Services System, a means to monitor existing, on-site inventory of medications and supplies. Consider reorder points for stock, a means to maintain that stock level and, if feasible, a means to identify current inventory on-hand.
- (G) The Contractor shall provide electronic/on-line access to updates of pharmaceutical supplies, medication, pricing (as applicable) and news releases.
- (H) Provide electronic/on-line and telephone access to customer service representative, pharmacist, or consulting service twenty-four (24) hours per day, seven (7) days a week.
- (I) Packaging of Dispensed Medications:
  - a. Medications are to be delivered, bundled by prisoner and sorted by regular medications and restricted medications. Within restricted medications, psychotropic medications must be separated for ease of identification.
  - b. Medications are to be dispensed in "blister pack" cards, or similar unit-dose packaging method, providing accountability of drugs administered, security, cost effectiveness and ease of storage and distribution. Prescription packages must be labeled to meet MDOC, State and Federal labeling requirements.
  - c. Patient blister cards, or selected method of packaging medications determined appropriate by Contractor and MDOC, shall contain a thirty-one (31) day supply of medications or quantity to be determined by Contractor and MDOC.
  - d. Contractor pharmacy services shall include provisions of compounded intravenous solutions; e.g., antibiotics to be administered in MDOC facilities.
  - e. Packaging shall minimize the waste of medication.

(J) Generic Medications:

Generic medications are to be used except where bioequivalence issues have been documented. Generic medications shall be substituted for brand name unless otherwise indicated by physician on a non-formulary request form (See APPENDIX for MDOC Clinical Formulary and request form) Contractor shall ensure availability of generic substitutes and report reasoning for any unavailability and plan and target dates for provision thereof.

**Branded drugs or other pre approved bioequivalent substitutes must be offered at the same acquisition cost of the prescribed generic product, when generic medication is out of stock.**

- (K) Contractor shall supply Over the Counter (OTC) medications that are ordered by the physician or ordered for use by the health care facilities. This pertains to stock and patient specific labeled prescriptions.



(L) Transporting Packaged Medication:

All packaged medications, shall be stored in a lockable storage device, e.g. medication cart, to be supplied by MDOC.

(M) Physical layout/construction of some facilities will require additional means of transporting blister cards, or selected method of packaging medication, to housing unit if multi-level tier housing precludes use of medication carts on upper tiers. Contractor shall need to identify and provide a secure means of transporting medication to upper tier levels. Uneven surfaces may preclude effective use of medication carts, or wheeled containers, in some detention facilities. Contractor shall need to identify and provide a secure means of transporting medication to housed inmates in these facilities.

(N) Delivery Schedule:

- a. Contractor must be capable of providing routine dispensed prescriptions, delivered the day following the transmission by 3 PM Michigan time of prescription orders from the MDOC facility to the pharmacy. Routine delivery shall be available six- (6) days a week, with procedures established for stock medications and provision for STAT medications.
- b. Contractor must be capable of providing urgent delivery of medication and pharmaceutical supplies within six (6) hours of placing the order. Urgent delivery shall be twenty-four (24) hours per day; seven (7) days a week.
- c. Contractor must be capable of providing Emergency delivery of life sustaining formulary and/or non-formulary STAT medications that need to be obtained within one (1) hour of placing the order. Delivery shall be twenty-four (24) hours per day, seven (7) days a week.

(O) Formulary Development:

Contractor shall provide, in coordination with MDOC Chief Medical Officer and the MDOC Pharmacy and Therapeutics Committee, a formulary that will foster safe, appropriate and effective drug therapy. It will accomplish the following:

- i. Promote cost containment/effectiveness without increased risk of adverse consequences or therapeutic misadventures.
- ii. Promote rational and objective drug therapy.
- iii. Promote appropriate generic drug utilization and use of bioequivalent drugs.

A copy of the current MDOC formulary is provided as an APPENDIX to this Contract.

(P) Contract Register

Contractor will provide an initial listing of contracted distributors and suppliers for pharmaceutical supplies and medication provided to MDOC under this



contract. Any changes in contracted distributors and supplier must be communicated and approved by Acquisition Services and MDOC Contract Administrator.

(Q) Quality Assurance and Consultant Pharmacist:

The Contractor will assure that every medication dispensed is in compliance with the prescribed orders and has been carefully reviewed for information by a pharmacist registered in the State of Michigan. The Contractor must provide a registered pharmacist to conduct a monthly site audit and quality assurance review. The audit document used by the Contractor must be consistent with the accreditation requirements established by the American Correctional Association or other accrediting agencies as appropriate.

(R) Policy Development:

The Contractor shall prepare and assist in the development of the pharmacy procedure manual and the MDOC Clinical Formulary by participation in the Pharmacy and Therapeutics portion of MDOC's Medical Advisory Committee (MAC). Development will be in conjunction with and approved by MDOC. The Contractor shall review the manual annually and revise as necessary.

(S) Medication Administration Records:

The Contractor shall supply, on a monthly basis, new electronic Medical Administration Records (MARs) to the facility for all inmates currently receiving medication not expiring by the first day of the month. The format of the electronic MAR must be compatible with, and interface with, the MDOC EMR, SERAPIS (See APPENDIX for details). The Contractor must develop an independent arrangement with the MDOC EMR provider for this interface at no cost to MDOC.

(T) Consultation:

The Contractor must have the personnel resources to provide consultant services by a pharmacist and/or physician for analysis and consultation with the MDOC Chief Medical Officer on prescribing practices and treatment alternatives. Contractor must work collaboratively in the collecting and reporting of data and in the development of indicators to be measured.

(U) In-service/Training:

The Contractor shall provide on-site in-service/training during system implementation for all appropriate MDOC staff that will be involved with administering and/or ordering medication or pharmaceutical supplies. Additional on-site training shall be provided as necessary. Assistance will be provided to MDOC in the development of "in-house" trainers for on-going familiarization and training of MDOC staff. The provision of updated training materials to MDOC, as needed, shall be the responsibility of the Contractor. All training will be provided to the State free of charge.



(V) Non-Formulary Request System:

- a. The Contractor's dispensing system must assure that inmate medication is in accordance with MDOC's drug formulary. However, a documented mechanism must be in place to allow the designated Chief Medical Officer to authorize non-formulary or alternate medication where clinical need dictates.
- b. Contractor shall be responsible for establishing a non-formulary approval process and a feedback mechanism to the Chief Medical Officer in the event a non-formulary medication is ordered without the appropriate use of a non-formulary request form. This feedback system must be such that the continuity of patient care is not compromised or unduly disturbed with respect to expediting the medication order.

(W) Total Equipment Program:

Contractor shall be required to identify, purchase and maintain all necessary equipment and asset management software required to operate the accepted Pharmacy Services System. It is the Contractor's responsibility to replace or upgrade said equipment, software and hardware, at Contractor expense, as required.

(X) Stock Level:

Changes in stock level will be coordinated with the MDOC Chief Medical Officer as required.

(Y) Consulting services shall be provided at all facilities and other approved sites deemed necessary for successful implementation and operation of the Pharmacy Services System.

(Z) ONSITE PHARMACY SERVICES:

In addition to the pharmacy services provided to support the Department's ambulatory health care needs, the Department also requires the Contractor to provide the following services in its Acute Care Facility in Jackson, Michigan and at the Huron Valley Complex.

- a. Provide sufficient staffing to support the volume and type of drug distribution for inpatient operations through peak periods from 6 am to 8 pm Monday through Saturday
- b. Design a system to provide continuation for Sunday admissions.
- c. Provide all equipment and supplies currently provided through the pharmacy to support pharmacy services.
- d. Provide all other applicable services requested in this contract pertinent to maintain the accreditation of the hospital and maintain concurrence with Michigan Law defining the operations of inpatient pharmacies operating in or supplying the State of Michigan. (Current Pharmacy Statute and Administrative Rule can be found through accessing the State Website at <http://www.michigan.gov/cis>.)



- e. Recognizing the differences in inpatient and outpatient ordering and labeling requirements in the State of Michigan, propose a plan to smoothly coordinate the cost effective and efficient distribution of medications necessary to distribute to prisoner patients as they exit the inpatient facility and travel to the ambulatory care site where immediate access to pharmacy services is governed by the Contractors plan for services under other parts of this Contract.
- f. Provide contracted pharmacists at an hourly rate of \$55.00 to allow other State Agencies and approved MIDEAL Members to contract additional pharmacists on an as needed basis at other locations.

**1.004 OUT OF SCOPE**

Administration of medications is **not** a responsibility of the contractor.

**1.005 ENVIRONMENT**

The Contract will require frequent deliveries to State of Michigan facilities. The contractor will utilize measures to ensure the security and safety of these deliveries. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan facilities (i.e. delivery people) and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. If security background checks are performed on staff, contractor shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a security check and is suitable for assignment to State facilities. Upon request by the State, contractor shall provide the results of all security background checks.

The State will decide whether to issue State ID badges to the contractor’s delivery personnel or accept the ID badge issued to delivery personnel by the contractor.

The State will also perform security background checks. If so, the contractor will be required to provide to the State a list of all delivery people that will service State of Michigan facilities, including name and date of birth. Social security number or driver license number may also be required.

The Contractor and its subcontractors shall comply with the security access requirements of the individual State facilities.

**1.006 WORK AND DELIVERABLE**

Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The intent of MDOC is to enter into a contractual arrangement that would review the existing two pharmacy operations, implement changes, restructure and operate all aspects of pharmacy services, resulting in a cost effective, efficient system. The Contractor's system must be designed to minimize prescription errors, and enhance uniformity in formulary and prescribing practices. Pharmacy services shall be provided to MDOC facilities (see Appendix for MDOC Facility List), and other approved sites. On-site pharmacies will be provided at DWH Hospital and at the Huron Valley Complex. It is expected that the Contractor will provide all equipment,



supplies, medication and any labor (in addition to current or acquired Civil Service staff) necessary to fulfill the obligations of this contract.

The goal of MDOC in the area of pharmacy services is to have a cost-effective program that meets or exceeds all correctional accreditation criteria and Michigan Pharmacy Standards. The program shall minimize medication errors, provide uniformity of practices and utilize a drug formulary that promotes safe, appropriate and effective drug therapy. The system shall maximize electronic input of prescriptions and electronic transfer of pharmacy orders through interface with the department's Electronic Medical Record (EMR) system, while at the same time include a prescriber feedback mechanism to ensure safe prescribing practices. It shall incorporate a system that provides for ease of distribution of medication that maximizes efficiency and minimizes medication waste due to inmate transfer. Security and safeguarding prescriptions during storage and transport is critical. The contractor shall do the following:

- (A) Develop a transition plan from the existing pharmacy system to the proposed pharmacy system. Recommendations should include an off-site pharmacy system supporting all facilities within the State of Michigan for all STAT medications (or medications unavailable from the prime contractor in a timeframe conducive to timely patient care), as well as a plan for pharmacist and technician staffing for the pharmacy housed in the DWH Waters hospital and for the Huron Valley Complex that incorporates the use of Civil Service pharmacy staff.
  - a. Develop a comprehensive pharmacy service that incorporates cost-savings initiatives, clinical process improvement, and educational material. Support services must include consultative role, i.e., advising on drug choice and education of clinicians on cost-effective treatment, drug interactions and new drug protocols. The Contractor shall maintain Michigan pharmacy standards and ensure that the pharmacy program is in full compliance with national JCAHO or other MDOC-accepted accreditation standards.
  - b. Provide a total equipment program where Contractor shall provide all necessary equipment, asset management software, maintenance programs, etc, and a plan for eventual turnover of the equipment and systems to the State.
  - c. Provide routine delivery six (6) days a week within a maximum of twenty-four (24) hours of receipt of order. Emergency delivery must be available twenty-four (24) hours a day, seven- (7) days a week to each MDOC facility, modified by needs, operating hours, etc. for each respective facility.
  - d. Routine delivery will be Monday through Saturday.
  - e. Routine delivery is not expected on the following holidays: Christmas (December 25), New Years Day (January 1), Memorial Day, Independence Day (July 4), Labor Day and Thanksgiving.



- f. Provide and maintain an emergency stock level at facilities in conjunction with the MDOC Chief Medical Officer (CMO). Recommend to MDOC Chief Medical Officer (CMO) appropriate medication and pharmaceutical supplies, stock level and rotation plan for all facilities.
- g. Incorporate a local "back-up" pharmacy distributor/supplier to provide services in event primary Contractor can not provide required pharmaceutical supplies in event of transportation difficulties, national emergency, etc. Provide a feedback mechanism to insure that the use of "back-up" pharmaceuticals is appropriate. Delivery requirements of "back-up" pharmacy services should be seven (7) days a week within 24 hours of receipt of order.
- h. Contractor shall have a pharmacist available twenty-four (24) hours a day, seven (7) days a week to process requests for emergency medication, provide clinical pharmacy consultation, and act in a responsible manner to minimize expense secondary to back-up pharmacy services. On-call services may be utilized to supplement these services on weekends and holidays.
- i. Provide delivery, seven (7) days a week, twenty-four (24) hours per day, for life sustaining non-formulary STAT medications that need to be obtained within six (6) hours.
- j. Contractor shall be responsible for arranging, with MDOC approval, delivery of drugs/supplies in the most cost-effective manner to MDOC facilities.
- k. Contractor shall identify as part of this Contract, method and conditions in which drugs and/or supplies will be returned to Contractor or distributor, if applicable, under Michigan PA 6201 of 2004. Expense of returned drugs will be the responsibility of the Contractor.
- l. Develop and execute a comprehensive implementation plan, which takes into consideration all system requirements and which can be successfully completed **in no more than 6 months time**. Local space is available in current and proposed facilities that could be used as a local distribution facility under the supervision of the Contractor (Duane Waters Hospital).
- m. Contractor must provide local customer service representation or, as a minimum, establish a means of contacting a customer service representative, pharmacist and/or consultant twenty-four (24) hours per day, seven (7) days a week.

**1.007 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

Contractor will provide a Managerial Clinical Pharmacist (minimum of .5 FTE) located in Michigan to monitor all Pharmacy Services at MDOC Facilities.



Contractor will also provide at least two on-site pharmacists for the DWH Hospital and the Huron Valley Complex at an hourly rate of \$55.00.

Resumes must be provided for all proposed contractor staff. The State reserves the right to interview all candidates before approving program staffing.

**1.008 STATE STAFF, ROLES, AND RESPONSIBILITIES**

Current State of Michigan Civil Servant Pharmacists employed by the MDOC will be retained in their current positions and will be supervised by MDOC Regional Management. Pharmacist Assistants will be located at most ambulatory clinics and within the two operating Pharmacies that will coordinate ordering and receiving of Pharmaceuticals for the MDOC.

**1.009 PROJECT PLAN MANAGEMENT**

Project Control

- (A) The Contractor will carry out this project under the direction and control of the Michigan Department of Corrections. **Any Contract modifications, deletions, and/or changes must be approved by DMB Acquisition Services.**
- (B) Although there will be continuous liaison with the Contractor team, the client agency's project director will meet biweekly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.
- (C) The Contractor will submit brief written biweekly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the MDOC Contract Compliance Inspector.
- (D) **Within five (5) working days of the award of the Contract**, the Contractor will submit to the Michigan Department of Corrections project director for final approval a work plan, which must include the following:

The Contractor's project organizational structure.

- a. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of MDOC project director and MDOC Contract Compliance Inspector.
- b. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
- c. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.



IMPLEMENTATION:

(A) Develop a Project Work Plan identifying and documenting the detailed requirements/specifications for integrating the Pharmacy Services System. Include the following in the Project Work Plan:

- a. Implementation schedule, to include start date from award of Contract.
- b. Contractor will have a maximum of NINETY (90) days to complete implementation process.
- c. Local representation required during implementation.
- d. Document all requirements and specifications for integration and implementation.
- e. Identify equipment, facility, personnel and logistical needs required by Contractor during implementation to be provided by MDOC.
- f. Identify equipment, software, logistical support and personnel available to MDOC during and after implementation.
- g. Identify process for training of MDOC personnel.
- h. Identify how current patient prescription data base will be transferred to Contractor maintained database.

(B) **Contractor will submit written biweekly progress reports** to Department of Corrections project manager describing, in detail, accomplishments for the period, problems encountered solutions to problems, conformance to implementation schedule and overview of items to be accomplished during the upcoming week.

**1.010 REPORTS**

The contractor shall provide an Internet secure web-based integrated reporting system for the Department’s use that provides up-to-date data (previous day’s orders must be viewable) on all pharmaceuticals ordered for all MDOC sites utilization management. This system shall provide for reporting by dates(s), cost, site, prescriber, patient, drug or drug category utilization or any combination thereof, as well as those prescriptions needing to be refilled. In addition, monthly reporting of drug returns, and prescription errors shall be provided.

Contractor must provide a detailed description of the web-based reporting systems capabilities. Sample reports may be provided with the proposal.

Contractor must also provide any requested reports for state employees unable to access or utilize the reporting system.

The contractor must also work collaboratively in the collecting and reporting of data and in the development of indicators to be measured and standard reports for management and administrative purposes. These will include, but not be limited to, reports monitoring provider prescription practices against the MDOC formulary and any reports necessary for cost audit purposes.



**1.011 CHANGE MANAGEMENT**

If a proposed contract change is reviewed by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Acquisition Services Buyer, who will make recommendations to the Director of Acquisition Services regarding ultimate approval/disapproval of change request. If the DMB Acquisition Services Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Acquisition Services Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Acquisition Services, risk non-payment for the out-of-scope/pricing products and/or services.**

**1.012 COMPENSATION AND PAYMENT**

Pricing shall include base cost (actual acquisition cost) of medications or pharmaceutical supplies (+) Management fee (PMPM) per inmate per month.

- a. Management fee will include the cost of the entire program e.g. equipment, overhead, distribution, labor, taxes.

- (A) Contractor's price adjustments will be restricted to the base cost of the pharmaceutical supply or medication. Management fee (PMPM) and Pharmacists Rate adjustments will be given consideration when supported by appropriate documentation after a firm fixed period of 365 days from the date the contract becomes effective. **Price adjustments must be approved by DMB Acquisition Services before Contract inclusion.**

Requests for price changes shall be received in **writing at least 30 days prior** to their effective date, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be cancelled.

Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. Approved changes shall be firm fixed for the remainder of the contract period unless further revised at the end of the next 365-day period.

The continued payment of any charges due after September 30<sup>th</sup> of any fiscal year will be subject to the availability of an appropriation for this purpose.

- (B) **Contractor shall return to MDOC 100% of manufacturer rebates, price adjustments, volume discounts or any other form of credit that is received.**
- (C) Contractor agrees to provide, upon request by MDOC, copies of actual invoices from any Contractor suppliers.
- (D) Training will be provided by the contractor at NO CHARGE.



**1.013 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW**

Department shall have the right to interview all prospective Contractor personnel to be assigned, and the Department reserves the right to accept or reject them.



Article 1B – Vendor Information

**1B.100 RFP CONTACT**

Name, title, address, email, phone and fax numbers for Vendor’s Contact.

|                         |   |
|-------------------------|---|
| <b>Name:</b>            | <b>N. Reed Heflin</b>                             |
| <b>Title:</b>           | <b>Executive Vice President and COO</b>           |
| <b>Address:</b>         | <b>12647 Olive Boulevard</b>                      |
| <b>City, State, Zip</b> | <b>St. Louis, MO 63141</b>                        |
| <b>Phone:</b>           | <b>(314) 919-9708 or (800) 616-6264 ext. 9708</b> |
| <b>Fax:</b>             | <b>(314) 919-8909</b>                             |
| <b>E-Mail</b>           | <b>rheflin@pharmacorr.com</b>                     |

Note: Person named above will be sole contact for your company to receive the Contract.

**1B.200 DISCLOSURE OF LITIGATION**

(a) Disclosure. Vendor must disclose any material criminal litigation, investigations or proceedings involving the Vendor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Vendor (and each Subcontractor) must disclose to the State any material civil litigation, arbitration or proceeding to which Vendor (or, to the extent Vendor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Vendor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Vendor or, to the extent Vendor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to Acquisition Services. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Vendor’s publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

**1B.300 MIDEAL (Extended Purchasing) and State Departments/Agencies**

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. The Contractor will supply commodities to these authorized local units of government, school districts, etc. as well as the state departments and agencies.

In as much as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

Estimated requirements for authorized local units of government are not included in the quantities shown in this Contract.



It is the responsibility of the contractor to ensure the non-state agency is an authorized MIDEAL member prior to extending the state contract price.

Commodities and/or services on this Contract will be supplied to State of Michigan departments and agencies, and authorized MIDEAL Program members in accordance with the **terms and prices quoted**.



**Article 2 – General Terms and Conditions**

**2.010 CONTRACT STRUCTURE AND ADMINISTRATION**

**2.011 Definitions**

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates
- (e) “Audit Period” has the meaning given in Section 2.111.
- (f) “Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (g) “Incident” means any interruption in Services.
- (h) “Business Critical” means any function identified in any Statement of Work as Business Critical.
- (i) “Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work
- (j) “Key Personnel” means any Personnel designated in Contract as Key Personnel.
- (k) “New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “New Work” does not include Additional Service.
- (l) “Services” means any function performed for the benefit of the State.
- (m) “State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (n) “Subcontractor” means a company Contractor delegate’s performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (o) “Work in Process” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

**2.012 Attachments and Exhibits**

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.



**2.013 Statements of Work**

(a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

(b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 containing, the following information:

- a description of the Services to be performed by Contractor under the Statement of Work;
- a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
- all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
- any other information or provisions the parties agree to include.

**2.014 Issuing Office**

This Contract is issued by the Department of Management and Budget, Office of Acquisition Services ("OAS") and Michigan Department of Corrections (MDOC). Office of Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Office of Acquisition Services is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Administrator within the Office of Acquisition Services for this Contract is:

**Darleen Burnham-Heim, CPPB**  
**Office of Acquisition Services**  
**Department of Management and Budget**  
**Mason Bldg, 2nd Floor**  
**PO Box 30026**  
**Lansing, MI 48909**  
**Email: [burnhamd@michigan.gov](mailto:burnhamd@michigan.gov)**  
**Phone: 517-373-4245**



**2.015 Contract Compliance Inspector**

Upon receipt at OAS of the properly executed Contract, it is anticipated that the Director of DMB Acquisition Services, in consultation with MDOC, will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Office of Acquisition Services.** The Contract Compliance Inspector for this Contract is:

Ray Tamminga, Administrator  
 Bureau of Health Care Services  
 Department of Corrections  
 PO Box 30003  
 Lansing, MI 48909  
 Email: [tamminrl@michigan.gov](mailto:tamminrl@michigan.gov)  
 Phone: 517-373-3629

**2.016 MDOC Project Manager**

The following individuals will oversee the project:

Ray Tamminga and Barry Wickman  
 Department of Corrections  
 Address: P.O. Box 30003  
 City: Lansing  
 State & Zip: MI 48909  
 Email: [tamminrl@michigan.gov](mailto:tamminrl@michigan.gov)  
 Phone: (517) 373-3629  
 Fax: (517) 335-0871

**2.020 CONTRACT OBJECTIVES/SCOPE/BACKGROUND**

**2.022 Purpose**

The Contract is for pharmacy services for prisoners under the jurisdiction of the State of Michigan and for two (2) Registered Pharmacists. Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by MDOC Agencies on the Purchase Order Contract Release Form.

Indicated in the Contract are the “ship to” addresses for the participating agency facilities (\*SEE APPENDIX\*). However, additional State facilities and/or agencies may participate should the need develop.



**2.023 Objectives and Scope**

The basic outcomes achieved by the end of the Contract are referenced in the Scope of Work (SOW).

**2.024 Interpretation**

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

**2.025 Form, Function and Utility**

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

**2.030 LEGAL EFFECT AND TERM**

**2.031 Legal Effect**

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

**2.032 Contract Term**

This Contract is for a period of one year commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

**2.033 Renewal(s)**

The State may elect to exercise an option year. Exercise of an option year will be in writing by mutual agreement of the parties not less than 30 days before its expiration. **The Contract may be renewed for up to four additional one year periods.** Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.



**2.040 CONTRACTOR PERSONNEL**

**2.041 Contractor Personnel**

(a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated.

(ii) Key Personnel shall be dedicated as defined to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(v) It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State



does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be \$25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel he/she is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of \$833.33 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed \$50,000.00 per individual.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional



charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

**2.042 Contractor Identification**

Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

**2.043 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

**2.044 Subcontracting by Contractor**

(a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of Acquisition Services has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons.



Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in Section 2.076 for a time agreed upon by the parties.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297 in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

**2.045 Contractor Responsibility for Personnel**

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

**2.050 STATE STANDARDS**

**2.051 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at [http://www.michigan.gov/dit/0,1607,7-139-30639\\_30655---,00.html](http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html).

**2.052 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see



<http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

**2.060 DELIVERABLES**

**2.061 Ordering**

(a) Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.

**2.062 Software**

If any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge.

**2.063 Hardware**

If any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge.

**2.064 Equipment to be New and Prohibited Products**

(a) Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

(b) Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change order pursuant to Section 2.106.

**2.070 PERFORMANCE**

**2.071 Performance, In General**

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety



in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

**2.072 Time of Performance**

- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of Section 2.072(a), Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.
- (c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State’s failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

**2.073 Bankruptcy**

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the “Work in Process” and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State’s progress payments before the delivery of any services or materials required for the execution of Contractor’s obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

**2.074 Time is of the Essence**

The Contractor agrees that time is of the essence in the performance of the Contractor’s obligations under this Contract.

**2.075 Service Level Agreements (SLAs)**

- (a) SLAs will be completed with the following operational considerations:
  - (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has occurred as defined in Section 2.202,



(ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification and/or coordination.

(iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. In order to invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

(iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following (“Stop-Clock Conditions”):

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.

2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three (3) unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling thirty (30) day period. Chronic Failure will result in the State’s option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three (3) additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two (2) weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals shall be rounded to two decimal places with 5 and greater rounding up and 4 and less rounding down unless otherwise specified.

**2.080 DELIVERY AND ACCEPTANCE OF DELIVERABLES**

**2.081 Delivery Responsibilities**

Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.

(a) Shipment responsibilities - Services performed/Deliverables provided under this Contract shall be delivered “F.O.B. Destination, within Government Premises.” The Contractor shall have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.

(b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper’s delivery document(s) and appropriate procedures to record such.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within fourteen (14) days of receipt. Any damage must be reported to the Contractor



within five (5) days of inspection. If this inspection does not occur and damages not reported within thirty (30) days of receipt, the cure for such damaged deliveries shall transfer to the delivery signing party.

**2.082 Delivery of Deliverables**

(a) Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document (“Written Deliverable”), a good (“Physical Deliverable”) or a Service. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

**2.083 Testing**

(a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State’s review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State’s review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

**2.084 Approval of Deliverables, In General**

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State’s obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree



that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with Section 2.083(a).

(d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

**2.085 Process For Approval of Written Deliverables**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.



**2.086 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) Business Days for Services). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Services (or at the State’s election, subsequent to approval of the Service). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. Contractor’s correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

**2.087 Process for Approval of Physical Deliverables**

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State’s election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor’s correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

**2.088 Final Acceptance**

Unless otherwise stated in the Statement of Work or Purchase Order, “Final Acceptance” of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.080-2.087**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

**2.090 FINANCIAL**

**2.091 Pricing**

- (a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree



that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

(d) Labor Rates

All time and material charges will be at the rates specified in the Contract.

**2.092 Invoicing and Payment Procedures and Terms**

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in the Contract. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with Section 2.094.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional ) The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State.



(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.093 State Funding Obligation**

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

**2.094 Electronic Payment Availability**

Electronic transfer of funds is available to State contractors. Contractor is required to register with the State electronically at <http://www.cpexpress.state.mi.us>. Public Act 533 of 2004 requires all payments be transitioned over to EFT by October 2005.

**2.100 CONTRACT MANAGEMENT**

**2.101 Contract Management Responsibility**

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with SOW (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.



**2.102 Problem and Contract Management Procedures**

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

**2.103 Reports and Meetings**

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor’s performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State’s request, Contractor shall prepare and circulate minutes promptly after a meeting.

**2.104 System Changes**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State’s approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

**2.105 Change Requests**

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed



outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").



(v) **No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Office of Acquisition Services.**

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

**2.106 Management Tools**

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

**2.110 RECORDS AND INSPECTIONS**

**2.111 Records and Inspections**

(a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

(b) Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become



publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

(c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor’s records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

(d) Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.

**2.112 Errors**

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

**2.120 STATE RESPONSIBILITIES**

**2.121 State Performance Obligations**

(a) Equipment and Other Resources. To facilitate Contractor’s performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor’s personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the “State Facilities”). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor’s use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.



(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in Section 2.220, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in Section 2.106.

**2.130 SECURITY**

**2.131 Background Checks**

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

**2.150 CONFIDENTIALITY**

**2.151 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").



**2.152 Confidentiality**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, “Confidential Information” of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. “Confidential Information” of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State “Confidential Information” shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

**2.153 Protection of Confidential Information**

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

**2.154 Exclusions**

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with



notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

**2.155 No Implied Rights**

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

**2.156 Remedies**

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

**2.157 Security Breach Notification**

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

**2.158 Survival**

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

**2.159 Destruction of Confidential Information**

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

**2.160 PROPRIETARY RIGHTS**

**2.161 Ownership**

**Ownership of Work Product by State.** All Deliverables shall be owned by the State and shall be considered works made for hire by the Contractor for the State. The State shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

**Vesting of Rights.** With the sole exception of any preexisting licensed works identified, the Contractor shall assign, and upon creation of each Deliverable automatically assigns, to the



State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any such Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon State's request, the Contractor and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

**2.162 Rights in Data**

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

**2.163 Ownership of Materials**

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor for the State, will be licensed directly to the State.

**2.164 Standard Software**

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software. .

**2.165 Pre-existing Materials for Custom Software Deliverables**

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its



Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

**2.166 General Skills**

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

**2.170 Warranties And Representations**

**2.171 Warranties and Representations**

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract’s requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor’s name), then in addition to Contractor’s other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer’s warranty for the Deliverable.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect,



that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

**2.172 Equipment Warranty**

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.



The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance.

Within two (2) business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.

The Contractor shall act as the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

**2.173 Standard Warranties**

(a) Warranty of Merchantability

Deliverables shall be merchantable. All Deliverables shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor on the container or label.

(b) Warranty of fitness for a particular purpose

When Contractor has reason to know or knows any particular purpose for which the Deliverables are required, and when the State is relying on the Contractor's skill or judgment to select or furnish suitable Deliverables, the Contractor warrants that the Deliverables are fit for such purpose.

(c) Warranty of title

Contractor shall convey good title in those Deliverables, whose transfer is right and lawful. All Deliverables provided by Contractor shall be delivered free from any security interest, lien, or encumbrance. Deliverables shall be delivered free of any rightful claim of any third person of ownership, interest, lien or encumbrance.



**2.174 Consequences For Breach**

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

**2.180 INSURANCE**

**2.181 Liability Insurance**

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor’s performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.

See [http://www.mi.gov/cis/0,1607,7-154-10555\\_22535---,00.html](http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor’s policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage (“Certificates”). The Certificate must be on the standard “accord” form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must



include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State’s sole option, result in this Contract’s termination.

The Contractor is required to pay for and provide the type and amount of insurance checked  below:

1. Commercial General Liability with the following minimum coverage:

- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
- \$2,000,000 Products/Completed Operations Aggregate Limit
- \$1,000,000 Personal & Advertising Injury Limit
- \$1,000,000 Each Occurrence Limit
- \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor’s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers’ compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

- \$100,000 each accident
- \$100,000 each employee by disease
- \$500,000 aggregate disease



5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.

8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor’s insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor’s liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the “Certificates”). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer’s attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required



insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

**2.190 INDEMNIFICATION**

**2.191 Indemnification**

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that



it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

**2.192 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

**2.193 Indemnification Procedures**

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law.

Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney



may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

**2.200 LIMITS OF LIABILITY AND EXCUSABLE FAILURE**

**2.201 Limits of Liability**

The Contractor’s liability for damages to the State shall be limited to two times the value of the Contract or \$1,000,000.00 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

The State’s liability for damages to the Contractor shall be limited to the value of the Contract.

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

**2.202 Excusable Failure**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers’ failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its Subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that



such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

**2.203 Disaster Recovery**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

**2.204 Termination/Cancellation by the State**

The State may terminate this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

**2.205 Termination for Cause**

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in Section 2.076), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms



otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

(d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

**2.206 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State’s best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

**2.207 Non-Appropriation**

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of



competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

**2.208 Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor’s business integrity.

**2.209 Approvals Rescinded**

The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

**2.210 Rights and Obligations Upon Termination**

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor’s possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an “As-Is” basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State’s property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this



Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

**2.211 Reservation of Rights**

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

**2.212 Contractor Transition Responsibilities**

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.



**2.213 State Transition Responsibilities**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

**2.220 TERMINATION BY CONTRACTOR**

**2.221 Termination by Contractor**

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with Section 2.090, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under Section 2.250 before any such termination.

**2.230 STOP WORK**

**2.231 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this Section 2.230. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in Section 2.210.

**2.232 Cancellation or Expiration of Stop Work Order**

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of Section 2.106.



**2.233 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under Section 2.212, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this Section 2.230.

**2.250 DISPUTE RESOLUTION**

**2.251 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor’s performance, Contractor shall submit a letter executed by Contractor’s Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor’s performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor’s best knowledge and belief.

**2.252 Informal Dispute Resolution**

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to Section 2.100. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Acquisition Services, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other’s position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Acquisition Services, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State’s final action and the exhaustion of administrative remedies.

(b) This Section 2.250 will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to Section 2.253.



(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

**2.253 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of Section 2.252 is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

**2.254 Continued Performance**

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in Section 2.210 and 2.220, as the case may be.

**2.260 FEDERAL AND STATE CONTRACT REQUIREMENTS**

**2.261 Nondiscrimination**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Contract.

**2.262 Unfair Labor Practices**

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

**2.263 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.



**2.270 LITIGATION**

**2.271 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:
  - (A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and
  - (B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

- (c) Contractor shall make the following notifications in writing:
- (1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify the Office of Acquisition Services.
  - (2) Contractor shall also notify the Office of Acquisition Services within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor shall also notify Acquisition Services within thirty (30) days whenever changes to company affiliations occur.



**2.272 Governing Law**

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

**2.273 Compliance with Laws**

Contractor shall comply with all applicable state, federal, and local laws and ordinances (“Applicable Laws”) in providing the Services/Deliverables.

**2.274 Jurisdiction**

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.280 ENVIRONMENTAL PROVISION**

**2.281 Environmental Provision**

For the purposes of this Section, “Hazardous Materials” is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, such construction materials as paint thinners, solvents, gasoline, oil, etc., and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) “Hazardous Materials” under the Hazardous Materials Transportation Act, (2) “chemical hazards” under the Occupational Safety and Health Administration standards, (3) “chemical substances or mixtures” under the Toxic Substances Control Act, (4) “pesticides” under the Federal Insecticide Fungicide and Rodenticide Act, and (5) “hazardous wastes” as defined or listed under the Resource Conservation and Recovery Act. This Contract does not cover the handling, removal, or disposal of all Hazardous Materials.

(a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material in accordance with all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor’s Work. Prior to the commencement of Work, the State shall advise Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of such Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, give written notice to the State of the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material



removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the affected Work shall be resumed as directed in writing by the State. Any determination by the Michigan Department of Community Health and/or the Michigan Department of Environmental Quality (whichever is applicable) that the Hazardous Material has either been removed or rendered harmless shall be binding upon the State and Contractor for the purposes of resuming the Work. If any such incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material in accordance with Applicable Laws to the condition approved by applicable regulatory agency(ies). If the Contractor fails to take appropriate action pursuant to Applicable Laws and consistent with the State requirements, then the State may take appropriate action.

**2.290 GENERAL**

**2.291 Amendments**

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

**2.292 Assignment**

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

**2.293 Entire Contract; Order of Precedence**

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by Section 2.061.



(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of Sections 2.110 through 2.220 of the Contract, which may be modified or amended only by a formal Contract amendment.

**2.294 Headings**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

**2.295 Relationship of the Parties (Independent Contractor Relationship)**

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

**2.296 Notices**

(a) Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State of Michigan - DMB  
Office of Acquisition Services  
Attention: Darleen Burnham-Heim, CPPB  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

(b) Binding Commitments

Representatives of Contractor identified shall have the authority to make binding commitments on Contractor’s behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

**2.297 Media Releases and Contract Distribution**

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party’s prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.



(b) Contract Distribution

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

**2.298 Reformation and Severability**

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

**2.299 Consents and Approvals**

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

**2.300 NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

**2.301 Survival**

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

**2.302 Covenant of Good Faith**

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

**2.303 Permits**

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

**2.304 Website Incorporation**

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.



**2.305 Taxes**

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor’s bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

**2.306 Prevailing Wage**

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

**2.307 Call Center Disclosure**

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this Contract.

**2.308 Future Bidding Preclusion**

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.



**2.309 MiDEAL**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: <http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html>. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

**2.310 Changes to Information**

If any of the certifications, representations, or disclosures indicated in this document change after awarding of a contract, the Vendor is required to report those changes immediately to the Department of Management and Budget, Acquisition Services.

**2.311 False Information**

If it is determined that a Vendor purposely or willfully submitted false information, the State will pursue debarment of the Vendor, and the Contract will be terminated. If the State finds that grounds to debar exist, it shall send notice to the Vendor of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing. If the Vendor does not respond with a written request for a hearing within twenty (20) calendar days, the State shall issue the decision to debar without a hearing. The debarment period may be of any length up to eight (8) years. After the debarment period expires, the Vendor may reapply for inclusion on Vendor lists through the regular application process. Authority given by Executive Order 2003-1.

**Vendor may review the State’s debarment policy at:** [www.michigan.gov/doingbusiness](http://www.michigan.gov/doingbusiness)  
(click on the link to Debarment Policy)

**2.312 Use Tax (See Article 2, Section 2.092)**

Vendors (and their affiliated organizations, including subcontractors) that are awarded contracts are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. This is required of all companies that are awarded contracts. Those companies that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.



Vendors and their affiliates as defined in the paragraph above must register for and remit sales and use tax on all taxable sales of tangible personal property or services delivered into the State.

**2.313 Tax Excluded from Price**

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State’s exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Vendor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State’s Tax Exempt Certification is available for Vendor viewing upon request to the Contract Administrator.

**2.314 Tax Payment**

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

**2.315 Ethics: Gratuities and Influence**

**Gratuities**

The right of the Vendor to proceed may be terminated by written notice, if the State determines that the Vendor, its agent, or its representative has offered or gave a gratuity, kickback, money, gift, or any thing of value to an officer, official, or employee of the State intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

**Influence**

The Vendor, by signing its proposal/bid and this Contract, certifies to best of his or her knowledge that no funds or other items/services of value have been given to any State officer, official, or employee for influencing or attempting to influence such officer, official, or employee to obtain a contract or favorable treatment under a contract.

**2.316 News Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the Contract or the project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the Contract are to be released without prior written approval of the State and then only to persons designated.

**2.317 Freedom of Information Act**

All information in a Vendor’s proposal and any resulting Contract is subject to the provisions of the Freedom of Information Act, 1976 PA 442, MCL 15.231, *et seq.*





**APPENDIX B: MDOC Top Drugs - AAC**

| Generic Full Description       | Strength     | Form  | Qty     | Cost per<br>Ml./Mg./Unit/Gm.3 |
|--------------------------------|--------------|-------|---------|-------------------------------|
| QUETIAPINE FUMARATE            | 200MG        | TABS  | 175,184 | \$5.08                        |
| PEGINTERFERON A-2A (1ML)       | 180 UG/ML    | INJ   | 2,900   | \$318.93                      |
| IPRATROPIUM INHALER (15GM)     | 18MG         | AERS  | 11,748  | \$4.10                        |
| OLANZAPINE                     | 20MG         | TABS  | 32,150  | \$17.94                       |
| RISPERIDONE                    | 3MG          | TABS  | 85,984  | \$5.88                        |
| TRIAMCINOLONE INHALER (20)     | 100MCG       | AERS  | 5,272   | \$3.77                        |
| AMLODIPINE BESYLATE            | 10MG         | TABS  | 299,154 | \$1.86                        |
| AHF FACTOR 8 (MONOCLONAL)      | 1050 IU      | INJ   | 578     | \$493.50                      |
| OLANZAPINE                     | 10MG         | TABS  | 40,376  | \$8.98                        |
| OLANZAPINE                     | 15MG         | TABS  | 23,402  | \$13.47                       |
| ZAFIRLUKAST (UD)               | 20MG         | TABS  | 187,724 | \$1.14                        |
| ROSIGLITAZONE MALEATE          | 4MG          | TABS  | 177,808 | \$2.43                        |
| RISPERIDONE                    | (1/2 OF 4MG) | TABS  | 53,934  | \$3.95                        |
| RISPERIDONE                    | 4MG          | TABS  | 51,418  | \$7.90                        |
| EMTRICTABINE/TENOFOVIR         | 200-300 MG   | TABS  | 22,480  | \$22.59                       |
| QUETIAPINE FUMARATE            | 300MG        | TABS  | 63,058  | \$6.66                        |
| OMEPRAZOLE (14)                | 20MG         | TABS  | 11,366  | \$0.61                        |
| EFAVIRENZ                      | 600MG        | TABS  | 37,200  | \$13.00                       |
| ATAZANAVIR SULFATE             | 150MG        | CAPS  | 46,480  | \$11.62                       |
| LAMIVUDINE – AZT               | 150/300 MG   | TABS  | 36,380  | \$9.79                        |
| DIVALPROEX (24HR TAB)          | 500MG        | TB24  | 84,612  | \$1.90                        |
| DIVALPROEX SODIUM              | 500MG        | TBEC  | 130,334 | \$1.99                        |
| FLUNISOLIDE NASAL (25)         | 0.025%       | SOLN  | 6,896   | \$0.91                        |
| ROSIGLITAZONE MALEATE          | 8MG          | TABS  | 40,976  | \$4.51                        |
| TAMSULOSIN HCL                 | 0.4MG        | CP24  | 141,544 | \$1.73                        |
| RITONAVIR                      | 100MG        | CAPS  | 36,058  | \$8.37                        |
| ABACAV-3TC-AZT                 | 300-150-300  | TABS  | 7,400   | \$15.86                       |
| TENOFOVIR DISOPROXIL           | 300MG        | TABS  | 25,228  | \$13.56                       |
| OLANZAPINE                     | 5MG          | TABS  | 27,434  | \$5.96                        |
| QUETIAPINE FUMARATE            | 100MG        | TABS  | 80,364  | \$2.69                        |
| GLATIRAMER (1=30 SYRG/BOX)     | 20MG         | KIT   | 1,732   | \$40.93                       |
| CLOPIDOGREL BISULFATE          | 75MG         | TABS  | 63,272  | \$3.66                        |
| LOSARTAN POTASSIUM             | 50MG         | TABS  | 153,130 | \$1.44                        |
| SERTRALINE HCL                 | 100MG        | TABS  | 69,376  | \$2.36                        |
| HEPATITIS B VACCINE VIAL (1ML) | 20MCG        | INJ   | 2,378   | \$35.11                       |
| QUETIAPINE FUMARATE            | 25MG         | TABS  | 101,398 | \$1.54                        |
| LOPINAVIR/RITONAVIR CAP        | 133/33       | CAPS  | 24,882  | \$3.45                        |
| FILGRASTIM VIAL (1ML)          | 300MCG/ML    | INJ   | 438     | \$184.90                      |
| RISPERIDONE                    | (1/2 OF 2MG) | TABS  | 31,610  | \$2.50                        |
| EPOETIN ALFA VL (1ML)          | 40,000 U/ML  | INJ   | 1,208   | \$475.12                      |
| LATANOPROST O/S (2.5ML)        | 0.005%       | OPHTH | 2,787   | \$19.14                       |
| ETANERCEPT VIAL (EACH)         | 25MG         | KIT   | 632     | \$146.37                      |
| ZOLMITRIPTAN(UD)               | 2.5MG        | TABS  | 7,004   | \$14.31                       |



**APPENDIX C: MDOC Top GENERIC Drugs - AAC**

**Top Generic Drug Spending by Dosage**

| Generic Name            | Strength   | Generic Drug (Y/N) | Estimated Annual Quantity | Pharmacorr Unit Price |
|-------------------------|------------|--------------------|---------------------------|-----------------------|
| Fluticasone Prop (1 ... | 220 MCG    | Y                  | 80,208                    | \$ 8.85               |
| Fluticasone Prop (1 ... | 110 MCG    | Y                  | 88,560                    | \$ 5.70               |
| Omeprazole (28)         | 20MG       | Y                  | 973,392                   | \$ 0.61               |
| Lovastatin              | 40MG       | Y                  | 334,824                   | \$ 0.43               |
| Lovastatin              | 20MG       | Y                  | 526,932                   | \$ 0.25               |
| Albuterol Inhaler ...   | 90 MCG     | Y                  | 537,744                   | \$ 0.14               |
| Fluticasone Prop (1 ... | 44 MCG     | Y                  | 12,720                    | \$ 4.25               |
| Phenytoin Sod *Ext ...  | 100MG      | Y                  | 381,180                   | \$ 0.19               |
| Nifedipine              | 60 MG      | Y                  | 59,580                    | \$ 1.07               |
| Cholestyramine/Aspa ... |            | Y                  | 130,440                   | \$ 0.38               |
| Gemfibrozil             | 600MG      | Y                  | 504,276                   | \$ 0.11               |
| Nifedipine              | 90 MG      | Y                  | 28,908                    | \$ 1.81               |
| Lovastatin              | 10MG       | Y                  | 278,832                   | \$ 0.16               |
| Epinephrine Auto-Inj    | 0.3MG      | Y                  | 912                       | \$ 45.95              |
| Urea (480ML)            | 10%        | Y                  | 1,607,040                 | \$ 0.02               |
| Bupropion Hcl Sr        | 150MG      | Y                  | 41,832                    | \$ 0.75               |
| Amlodipine Besylate     | 2.5MG      | Y                  | 21,816                    | \$ 1.40               |
| Ranitidine Hcl          | 150MG      | Y                  | 1,000,392                 | \$ 0.02               |
| Enalapril Maleate       | 20MG       | Y                  | 599,424                   | \$ 0.04               |
| Dexbrom/Pseudo          | 6/120MG    | Y                  | 273,264                   | \$ 0.09               |
| Ketoconazole (30Gm)     | 2%         | Y                  | 65,160                    | \$ 0.40               |
| Nifedipine              | 30 MG      | Y                  | 44,748                    | \$ 0.53               |
| Amoxicillin/Clav        | 875-125MG  | Y                  | 17,196                    | \$ 1.33               |
| Trihexyphenidyl Hcl     | 5MG        | Y                  | 132,084                   | \$ 0.10               |
| Valproic Acid           | 250MG      | Y                  | 127,848                   | \$ 0.16               |
| Didanosine (Enteric)    | 250MG      | Y                  | 4,680                     | \$ 4.28               |
| Clindamycin Phosp (30)  | 1%         | Y                  | 72,000                    | \$ 0.28               |
| Diltiazem (Cd)          | 360MG      | Y                  | 6,840                     | \$ 0.63               |
| Cyproheptadine          | 4MG        | Y                  | 213,384                   | \$ 0.09               |
| Etodolac                | 300MG      | Y                  | 149,580                   | \$ 0.13               |
| Ibuprofen               | 800MG      | Y                  | 485,328                   | \$ 0.03               |
| Enalapril Maleate       | 10MG       | Y                  | 457,692                   | \$ 0.03               |
| Haloperidol             | 10MG       | Y                  | 16,200                    | \$ 0.22               |
| Hydroxyzine Hcl         | 50MG       | Y                  | 51,876                    | \$ 0.27               |
| Podofilox Gel (3.5Gm)   | 0.5%       | Y                  | 378                       | \$ 39.71              |
| Lactase Enz             | 3000 UNITS | Y                  | 260,640                   | \$ 0.05               |
| Metformin Hcl           | 500MG      | Y                  | 312,600                   | \$ 0.04               |
| Etodolac                | 400MG      | Y                  | 95,988                    | \$ 0.14               |
| Alum Hyd/Mag Tris ( ... | 80-20 MG   | Y                  | 477,600                   | \$ 0.02               |
| Ibuprofen               | 600MG      | Y                  | 550,440                   | \$ 0.02               |
| Gabapentin              | 600MG      | Y                  | 22,032                    | \$ 0.17               |
| Gabapentin              | 800MG      | Y                  | 18,156                    | \$ 0.34               |



|                         |           |   |           |          |
|-------------------------|-----------|---|-----------|----------|
| Etodolac                | 200MG     | Y | 90,300    | \$ 0.14  |
| Loxapine Succinate      | 50MG      | Y | 12,600    | \$ 0.97  |
| Naproxen                | 500MG     | Y | 265,872   | \$ 0.04  |
| Sulindac                | 200MG     | Y | 60,888    | \$ 0.18  |
| Carbamazepine           | 200MG     | Y | 217,860   | \$ 0.05  |
| Metformin Hcl           | 850MG     | Y | 176,076   | \$ 0.05  |
| Ketorolac Soln (5MI)    | 0.5 %     | Y | 960       | \$ 12.18 |
| Cromolyn Nasal Spray    | 40MG/ML   | Y | 18,720    | \$ 0.55  |
| Omeprazole              | 10MG      | Y | 13,044    | \$ 0.64  |
| Tramadol Hcl            | 50MG      | Y | 261,768   | \$ 0.03  |
| Paroxetine Hcl          | 30MG      | Y | 18,804    | \$ 0.43  |
| Selenium Sulfide (1 ... | 2.5%      | Y | 321,120   | \$ 0.03  |
| Metformin Hcl           | 1000MG    | Y | 124,344   | \$ 0.06  |
| Deferoxamine Mesy       | 500MG     | Y | 720       | \$ 13.41 |
| Diltiazem (Cd)          | 240MG     | Y | 27,000    | \$ 0.34  |
| Carvedilol              | 400MG     | Y | 1,368     | \$ 6.68  |
| Psyllium Sf (300Gm= ... |           | Y | 799,200   | \$ 0.01  |
| Hydrochlorothiazide     | 25MG      | Y | 500,580   | \$ 0.01  |
| Enalapril Maleate       | 5MG       | Y | 254,340   | \$ 0.02  |
| Haloperidol             | 20MG      | Y | 4,680     | \$ 0.43  |
| Glyburide               | 5MG       | Y | 160,344   | \$ 0.04  |
| Gabapentin              | 300MG     | Y | 56,280    | \$ 0.09  |
| Paroxetine Hcl          | 20MG      | Y | 17,052    | \$ 0.26  |
| Dicyclomine Hcl         | 20MG      | Y | 196,512   | \$ 0.03  |
| Paroxetine Hcl          | 40MG      | Y | 15,336    | \$ 0.44  |
| Verapamil Hcl Sr        | 240MG     | Y | 37,140    | \$ 0.21  |
| Bupropion Hcl Sr        | 100MG     | Y | 11,628    | \$ 0.68  |
| Bupropion Hcl Sr        | 200MG     | Y | 5,040     | \$ 1.53  |
| Atenolol                | 50MG      | Y | 284,592   | \$ 0.03  |
| Potassium Cl            | 10MEQ     | Y | 164,712   | \$ 0.05  |
| Ergotamine Tart/Caff    | 1/100MG   | Y | 9,780     | \$ 0.78  |
| Hydroxyzine Hcl         | 25MG      | Y | 33,024    | \$ 0.21  |
| Metoprolol Succ         | 50MG      | Y | 9,804     | \$ 0.73  |
| Propranolol Hcl         | 60MG      | Y | 19,440    | \$ 0.09  |
| Triamcinolone 0.1% ...  | 0.1%      | Y | 50,868    | \$ 0.04  |
| Diltiazem (Cd)          | 120MG     | Y | 25,200    | \$ 0.27  |
| Carbamazepine (12 H ... | 400MG     | Y | 5,856     | \$ 1.20  |
| Methadone (500MI)       | 10MG/5ML  | Y | 66,000    | \$ 0.10  |
| Penicillin V-K          | 500MG     | Y | 48,324    | \$ 0.14  |
| Gabapentin (470)        | 250MG/5ML | Y | 33,840    | \$ 0.20  |
| Fluoxetine              | 20MG      | Y | 192,720   | \$ 0.03  |
| Phenytoin (237MI)       | 125MG/5ML | Y | 91,008    | \$ 0.07  |
| Diphenhydramine         | 50MG      | Y | 497,520   | \$ 0.01  |
| Spirolactone            | 25MG      | Y | 50,220    | \$ 0.12  |
| Apap                    | 325MG     | Y | 1,574,796 | \$ 0.004 |
| Gabapentin              | 400MG     | Y | 25,020    | \$ 0.17  |
| Haloperidol Dec VI ...  | 100MG/ML  | Y | 1,104     | \$ 5.66  |
| Cyclobenzaprine         | 10MG      | Y | 92,628    | \$ 0.06  |



|                  |        |   |        |         |
|------------------|--------|---|--------|---------|
| Mirtazapine      | 30MG   | Y | 31,992 | \$ 0.16 |
| Sucralfate       | 1GM    | Y | 61,704 | \$ 0.14 |
| Guaifenesin      | 600MG  | Y | 17,160 | \$ 0.32 |
| Tretinoin (20Gm) | 0.025% | Y | 5,280  | \$ 0.68 |



**APPENDIX D: MDOC Facility List**

ALGER MAXIMUM CORR. FACILITY (LMF)  
 Industrial Park Drive, P.O. Box 600  
 Munising, MI 49862  
 (906) 387-5000  
 Fax: (906) 387-5019

BARAGA MAXIMUM CORR. FACILITY  
 (AMF)

301 Wadaga Road  
 Baraga, MI 49908  
 (906) 353-7070

BELLAMY CREEK CORR. FACILITY (IBC)

1727 W. Bluewater Hwy.  
 Ionia, MI 48846  
 (616) 527-2510

BOYER ROAD CORR. FACILITY (OTF)

10274 Boyer Road  
 Carson City, MI 48811  
 (989) 584-3941

BROOKS, EARNEST C. CORR. FACILITY  
 (LRF)

2500 S. Sheridan Road  
 Muskegon Heights, MI 49444  
 (231) 773-9200

CARSON CITY CORR. FACILITY (DRF)

10522 Boyer Road  
 Carson City, MI 48811  
 (989) 584-3941

CHIPPEWA CORRECTIONAL FACILITY  
 (URF)

4269 W. M-80  
 Kincheloe, MI 49784  
 (906) 495-2275

COOPER STREET CORR. FACILITY (JCS)

3100 Cooper Street  
 Jackson, MI 49201  
 (517) 780-6175

COTTON, G. ROBERT CORR. FACILITY  
 (JCF)

3500 N. Elm Road  
 Jackson, MI 49201  
 (517) 780-5000

CRANE, FLORENCE CORR. FACILITY  
 (ACF)

38 Fourth Street  
 Coldwater, MI 49036  
 (517) 279-9165

DEERFIELD CORRECTIONAL FACILITY  
 (ITF)

1755 Harwood Road  
 Ionia, MI 48846  
 (616) 527-6320

EGELER, CHARLES RECEPTION AND  
 GUIDANCE CENTER  
 (RGC)

3855 Cooper Street  
 Jackson, MI 49201  
 (517) 780-5600  
 Duane Waters Hospital (517) 780-5600

HANDLON, RICHARD A. CORR. FAC.  
 (MTU)

1728 Bluewater Highway  
 Ionia, MI 48846  
 (616) 527-3100

HARRISON, GUS CORR. FACILITY (ARF)

2727 E. Beecher Street  
 Adrian, MI 49221  
 (517) 265-3900

HIAWATHA CORRECTIONAL FACILITY  
 (HTF)

4533 W. Industrial Park Dr.  
 Kincheloe, MI 49786-0001  
 (906) 495-5661

HURON VALLEY COMPLEX - MEN (HVM)

3201 Bemis Road  
 Ypsilanti, MI 48197  
 (734) 572-9900

HURON VALLEY COMPLEX - WOMEN  
 (WHV)

3511 Bemis Road  
 Ypsilanti, MI 48197  
 (734) 434-5888



IONIA MAXIMUM CORR. FACILITY (ICF)  
1576 W. Bluewater Highway  
Ionia, MI 48846  
(616) 527-6331

OAKS CORRECTIONAL FACILITY (ECF)  
1500 Caberfae Highway  
Manistee, MI 49660-9200  
(231) 723-8272

KINROSS CORRECTIONAL FACILITY  
(KCF)  
16770 S. Watertower Drive  
Kincheloe, MI 49788  
(906) 495-2282

OJIBWAY CORRECTIONAL FACILITY  
(OCF)  
N 5705 Ojibway Road  
Marenisco, MI 49947  
(906) 787-2217

LAKELAND CORRECTIONAL FACILITY  
(LCF)  
141 First Street  
Coldwater, MI 49036  
(517) 278-6942

PARNALL CORRECTIONAL FACILITY  
(SMT)  
1780 E. Parnall  
Jackson, MI 49201-7138  
(517) 780-6004

MACOMB CORRECTIONAL FACILITY  
(MRF)  
34625 26 Mile Road  
New Haven, MI 48048  
(586) 749-4900

PARR HIGHWAY CORR. FACILITY (ATF)  
2727 E. Beecher  
Adrian, MI 49221  
(517) 263-3500

MARQUETTE BRANCH PRISON (MBP)  
1960 U.S. 41 South  
Marquette, MI 49855  
(906) 226-6531

PINE RIVER CORRECTIONAL FACILITY  
(SPR)  
320 N. Hubbard  
St. Louis, MI 48880  
(989) 681-6668

MID-MICHIGAN CORR. FACILITY (STF)  
8201 N. Croswell Road  
St. Louis, MI 48880  
(989) 681-4361

PUGSLEY CORRECTIONAL FACILITY  
(MPF)  
7401 E. Walton Road  
Kingsley, MI 49649  
(231) 263-5253

MOUND CORRECTIONAL FACILITY  
(NRF)  
17601 Mound Road  
Detroit, MI 48212  
(313) 368-8300

RIVERSIDE CORRECTIONAL FACILITY  
(RCF)  
777 W. Riverside Drive  
Ionia, MI 48846  
(616) 527-0110

MUSKEGON CORRECTIONAL FACILITY  
(MCF)  
2400 S. Sheridan Drive  
Muskegon, MI 49442  
(231) 773-3201

RYAN CORRECTIONAL FACILITY (RRF)  
17600 Ryan Road  
Detroit, MI 48212  
(313) 368-3200

NEWBERRY CORRECTIONAL FACILITY  
(NCF)  
3001 Newberry Avenue  
Newberry, MI 49868  
(906) 293-6200

SAGINAW CORRECTIONAL FACILITY  
(SRF)  
9625 Pierce Road  
Freeland, MI 48623  
(989) 695-9880



SCOTT, ROBERT CORR. FACILITY (SCF)  
47500 Five Mile Road  
Plymouth, MI 48170  
(734) 459-7400

Standish, MI 48658  
(989) 846-7000

SOUTHERN MICHIGAN CORR. FACILITY  
(JMF)  
4002 Cooper Street  
Jackson, MI 49201  
(517) 780-6100

STRAITS CORRECTIONAL FACILITY  
(KTF)  
4387 W. M-80  
Kincheloe, MI 49785  
(906) 495-5674

ST. LOUIS CORRECTIONAL FACILITY  
(SLF)  
8585 N. Croswell Road  
St. Louis, MI 48880  
(989) 681-6444

THUMB CORRECTIONAL FACILITY (TCF)  
3225 John Conley Drive  
Lapeer, MI 48446  
(810) 667-2045

STANDISH MAXIMUM CORR. FACILITY  
(SMF)  
4713 West M-61

WEST SHORELINE CORR. FACILITY  
(MTF)  
2500 S. Sheridan Drive  
Muskegon Heights, MI 49444  
(231) 773-1122



**APPENDIX E: SERAPIS**

**MDOC-Electronic Medical Record (EMR) SERAPIS Capabilities**

The Bureau of Health Care selected the Serapis© program as the electronic health record for the Department of Corrections in 2002. Serapis© had been developed for use in the correctional environment. It provides a mechanism for automating the medical record for all prisoners in our system, thus providing substantial benefits in both the clinical and administrative areas. Serapis© was developed to increase the accessibility to medical information, thereby enhancing the quality of care while streamlining the process of care delivery, centralizing storage, accessing medical records, and providing better reporting capabilities. It was designed to provide the opportunity to better understand, manage, and report on the care provided to an inmate population. Patient records are accessible simultaneously to providers at multiple locations and are in no way limited by the movement of inmates.

The Serapis© system itself is a proprietary product built on the core components of the NextGen electronic medical record, the QSI dental charting and MicroMed Scheduling programs. The system is deployed as a client-server system, running Citrix Metaframe over Windows Terminal Services in a Windows 2000 Server environment. More specifically, the system is a “server-side application” delivering the programs to the end user as published applications through MetaFrame, over TCP/IP, throughout the State of Michigan’s network. The application processing and database transactions are executed on the servers, and only the screen images and mouse and keyboard actions are transmitted over the network. The system runs Windows 2000 Server as the primary domain controller, MS Exchange Server as the mail server, and SQL Server 7.0 Enterprise as the database engine.

Serapis© includes medical, mental health, dental and scheduling modules. The program’s built-in report writer can generate reports for every data field in the system. It interfaces with existing state inmate tracking and demographics systems, thus reducing the time, error level, and cost associated with manual interfaces to these systems. This program also has an e-mail system allowing easy communication between users. The Serapis© program also maintains compliance with American Correctional Association (ACA) accreditation standards and with federal and state laws on the confidentiality of health records.

Features within the medical module include Chronic Care Clinics, Nursing protocols, Health Screening and Maintenance, History and Physical, electronic pharmacy ordering, laboratory ordering and tracking and radiology ordering capabilities. There are also protocols to order and obtain approval for off site consultations, special need ordering and nursing instructions and Diagnosis tracking. The system allows for efficient and effective recording of all prisoner ambulatory health care encounters. Protocols are established for immunization tracking, annual health screening and special needs and accommodations.



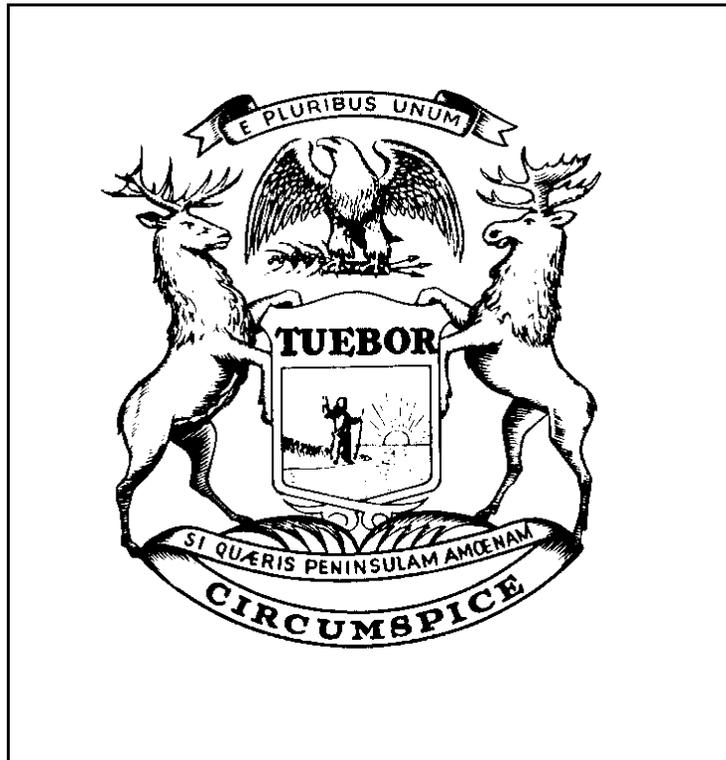
APPENDIX F – MDOC Clinical Formulary

**MICHIGAN DEPARTMENT OF  
CORRECTIONS**

*Bureau of Health Care Services*

2003

**CLINICAL FORMULARY**





**PREFACE**

This is a managed care formulary or book containing the names of drugs and their uses. Those concerned with the prescribing, dispensing and reimbursement of medicines should refer to this book in choosing quality cost-effective treatment.

A managed care formulary is different from a hospital formulary in that it does not include dosage forms and actual drug cost. (Actual costs change frequently and therefore do not remain accurate over time.) Instead, this formulary lists the relative cost of therapy. The drugs and guidelines on this formulary have been approved for use by the Medical Advisory Committee (MAC). Their purpose is to evaluate and select drugs and their appropriate use.

The Medical Advisory Committee (MAC), consisting of physicians and physician assistants, has the primary responsibility for setting policies regarding the evaluation, selection and therapeutic use of drugs. Although the MAC is the decision-making body regarding the Formulary, contributions from all participating physicians are welcomed.

**CRITERIA OF CHOICE**

Examples of the criteria used to determine the formulary status of products include the following:

- Effectiveness of the product
- FDA approved indications
- Side effect profile
- Patient compliance factors
- Physician follow-up requirements
- Effect on ER visits and hospitalizations
- Lab tests
- Cost
- Practice guidelines

This Formulary is intended to be a helpful guide in the decision making process. The final choice of the drug rests solely with the prescriber.

**PRODUCT NAME**

This is the most common brand name of the drug.

**GENERIC NAME**

This is the generic or chemical name of the drug.

**GENERIC SUBSTITUTION**

Generic substitution is the process by which a pharmacist dispenses a generic equivalent of a product rather than the branded product. Generic substitution will be done whenever a generic equivalent is available. When medical necessity dictates that a branded product be used, approval using the off-formulary process will be necessary.



**FORMULARY COMPLIANCE**

Through the use of a retrospective utilization review system, we are able to monitor the prescribing of formulary drugs.

**FORMULARY ORGANIZATION**

The Formulary is organized by a combination of therapeutic classes and diagnoses. The drug products are listed by generic name (small print in left column) and common brand-name (large print in right column).

**NON-FORMULARY DRUGS**

When a prisoner requires a drug (either non-prescription or prescription) for medical reasons that are not on the MDOC Formulary, approval to use the drug must be obtained from the Regional Medical Officer. It is the responsibility of the medical service provider attending to the prisoner to obtain the Regional Medical Officer’s approval for off-formulary drugs whether the drug was prescribed by themselves or recommended by a consultant and subsequently deemed medically necessary by themselves. Non-formulary psychotropic medication shall be approved by the DCH clinical approving authority per DCH guidelines. The Regional Medical Officer’s approval for all Off-Formulary drugs is to be obtained according to the attached Guidelines [Approval of Non-Formulary Medications.](#)

**FORMULARY MAINTENANCE POLICY**

All Formulary decisions will be made by the Medical Advisory Committee.

Additions/Deletions:

The addition/deletion of drugs to the Formulary will be based on comparative efficacy and drug specific parameters. Evaluations will be based on information from respected medical references, primary literature and standard of practice guidelines.

Cost will be considered in Formulary decisions when little or no difference exists in comparative efficacy and drug specific parameters. If you have any comments or concerns regarding the Formulary or a request to have a drug reviewed by the Medical Advisory Committee, please submit the following:



## FORMULARY CHANGE REQUEST

(Please send this form directly to the BHCS to the attention of the Medical Advisory Committee)

Drug Involved (generic name):

Person Completing Form (name, profession, facility, phone number):

Reason for Request (please attach any supporting articles or literature and provide your comments): **THIS IS REQUIRED**

Other Comments:

\_\_\_\_\_

Signature

Date

**PLEASE DO NOT WRITE BELOW THIS LINE**

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Medical Advisory Committee Comments and Actions:



**1. ANTIMICROBIALS AND INFECTIOUS DISEASE**

Antibiotics are considered to be either first line agents or second line agents. First line agents signified by (FL) are to be tried first unless one of the following conditions exist:

1. Prior history of failure of the first line agent in a reoccurring infection.
2. Allergy or history of prior adverse side effects of the first line agent.
3. Patient is HIV positive or otherwise significantly immune compromised making the use of a first line agent dangerous in that patient
4. Culture report showing resistance to first line agents.
5. Sanford's "Guide to Antimicrobial therapy" lists second line drug as treatment of choice.

Second line agents are signified by (SL) and are generally to be used after a first line agent. When a second line agent is used as the initial treatment for any infection the rationale for the medical necessity of its use must be documented in the medical record.

**A. BETA LACTAM ANTIBIOTICS**

|                                    |                                       |
|------------------------------------|---------------------------------------|
| penicillin (FL)                    | PEN VK (\$)                           |
| amoxicillin (FL)                   | AMOXIL (\$)                           |
| ampicillin (FL)                    | OMNIPEN (\$)                          |
| cephalexin (FL)                    | KEFLEX (\$)                           |
| cefazolin sodium (INPATIENT ONLY)  | KEFZOL (1st generation)               |
| cefoxitin sodium (INPATIENT ONLY)  | MEFOXIN (2nd generation)              |
| ceftriaxone sodium(FL)             | ROCEPHIN (3rd generation)             |
| ceftazidime (INPATIENT ONLY)       | FORTAZ (3rd generation)               |
| cefuroxime (SL)                    | CEFTIN (2nd generation)(\$\$\$\$\$\$) |
| dicloxacillin (FL) DYNAPEN (\$)    |                                       |
| amoxicillin/clavulanate (SL)       | AUGMENTIN (\$\$\$\$\$\$)              |
| nafcillin sodium (INPATIENT ONLY)  | UNIPEN                                |
| ticarcillin (INPATIENT ONLY) TICAR |                                       |

**B. ERYTHROMYCINS**

|   |                  |
|---|------------------|
| Erythromycin (FL)                                   | ERY-TAB (\$)     |
| clindamycin (see miscellaneous anti-infectives)(FL) | CLEOCIN (\$\$\$) |

**C. TETRACYCLINES**

|                   |                 |
|-------------------|-----------------|
| tetracycline (FL) | SUMYCIN (\$)    |
| doxycycline (FL)  | VIBRAMYCIN (\$) |

**D. FLUOROQUINOLONES**

|                    |                         |
|--------------------|-------------------------|
| Ciprofloxacin (SL) | CIPRO (\$\$\$\$\$)      |
| Levofloxacin (SL)  | LEVAQUIN (\$\$\$\$\$\$) |

**E. SULFONAMIDES AND SULFONES**

|                                    |                 |
|------------------------------------|-----------------|
| sulfamethoxazole/trimethoprim (FL) | SEPTRA, DS (\$) |
|------------------------------------|-----------------|

**F. ANTI-TUBERCULOSIS/ANTI-MYCOBACTERIAL AGENTS**



|              |                            |
|--------------|----------------------------|
| isoniazid    | ISONIAZID (\$)             |
| pyrazinamide | PYRAZINAMIDE(\$\$\$\$\$\$) |
| rifampin     | RIFADIN (\$\$\$\$\$\$)     |
| ethambutol   | MYAMBUTOL (\$\$\$\$\$\$)   |
| streptomycin |                            |
| rifabutin    | MYCOBUTIN (\$\$\$\$\$\$)   |

**G. ANTI-VIRALS**

|                          |                |
|--------------------------|----------------|
| amantadine               | SYMMETREL (\$) |
| acyclovir (not ointment) | ZOVIRAX (\$\$) |
| interferon alfa - 2d     | INTRON A       |

|   |                      |
|---|----------------------|
| <u>Combination Therapy:</u>               | REBETRON             |
| interferon alfa-2b, recombinant Injection | INTRON A             |
| ribavirin, USP Capsules                   | REBETOL              |
| PEG-Intron                                | PEGYLATED INTERFERON |

PEGASYS  
ANTIRETROVIRAL AGENTS

|  |          |
|--|----------|
| zidovudine (AZT)                       | RETROVIR |
| didanosine (ddi)                       | VIDEX-EC |
| zalcitabine (ddc)                      | HIVID    |
| stavudine (d4T)                        | ZERIT    |
| lamivudine (3TC)                       | EPIVIR   |
| (lamivudine 150mg + zidovudine 300 mg) | COMBIVIR |
| abacavir                               | ZIAGEN   |
| tenofovir                              | VIREAD   |
| emtricitabine                          | EMTRIVA  |

FUSION INHIBITOR

|             |        |
|-------------|--------|
| enfuvirtide | FUSEON |
|-------------|--------|

NNRTI - NON-NUCLEOSIDE REVERSE TRANSCRIPTASE INHIBITORS

|                   |            |
|-------------------|------------|
| nevirapine (NVP)  | VIRAMUNE   |
| delavirdine (DEL) | RESCRIPTOR |
| efavirenz         | SUSTIVA    |

PI - PROTEASE INHIBITORS

|                     |            |
|---------------------|------------|
| saquinavir mesylate | FORTOVAASE |
| indinavir (IDV)     | CRIXIVAN   |
| ritonavir (RIT)     | NORVIR     |
| nelfinavir (NEL)    | VIRACEPT   |
| atazanavir sulfate  | REYATAZ    |
| fosamprenavir       | LEXIVA     |

FIXED DOSE COMBINATION MEDICATIONS

|                                     |          |
|-------------------------------------|----------|
| zidovudine, lamivudine and abacavir | TRIZIVIR |
| lopinavir and ritonavir             | KALETRA  |
| lamivudine and zidovudine           | COMBIVIR |
| lamivudine and abacavir             | EPZICOM  |
| tenofovir and emtricitabine         | TRUVADA  |



**H. ANTI-FUNGALS**

|                     |                             |
|---------------------|-----------------------------|
| amphotericin B      | MYCOSTATIN (\$)             |
| nystatin            | NIZORAL (\$\$\$\$)          |
| ketoconazole        | MYCELEX (\$)                |
| clotrimazole troche | DIFLUCAN (\$\$\$\$\$\$\$\$) |
| fluconazole         |                             |

**I. MISCELLANEOUS ANTI-INFECTIVES**

|               |                             |
|---------------|-----------------------------|
| metronidazole | FLAGYL (\$)                 |
| vancomycin    | VANCOCIN (\$\$\$\$\$\$\$\$) |

**2. ANTINEOPLASTICS AND IMMUNOSUPPRESSANTS**

hydroxyurea  
methotrexate  
tamoxifen

**NEUROLOGICAL DRUGS**

**A. PARKINSON'S**

|                    |                             |
|--------------------|-----------------------------|
| diphenhydramine    | BENADRYL (\$)               |
| trihexyphenidyl    | ARTANE (\$)                 |
| benztropine        | COGENTIN (\$)               |
| amantadine         | SYMMETREL (\$)              |
| levodopa/carbidopa | SINEMET (\$\$)              |
| bromocriptine      | PARLODEL (\$\$\$\$\$\$\$\$) |

**B. MIGRAINE THERAPY**

|                                    |                        |
|------------------------------------|------------------------|
| ergotamine/caffeine (not PB)       | CAFERGOT (\$)          |
| aspirin 250mg/acetaminophen 250mg/ | EXCEDRIN MIGRAINE (\$) |
| caffeine 65mg                      | OTC                    |
| zomitriptan                        | ZOMIG (\$\$\$\$)       |

**C. SKELETAL MUSCLE RELAXANTS**

|                             |                              |
|-----------------------------|------------------------------|
| Baclofen                    | LIORESAL (RESTRICTED) (\$\$) |
| Cyclobenzaprine             | FLEXERIL (RESTRICTED) (\$    |
| pancuronium bromide         | (INPATIENT ONLY)             |
| succinylcholine chloride    | (INPATIENT ONLY)             |
| tubocurarine chloride       | (INPATIENT ONLY)             |
| dantrolene (INPATIENT ONLY) | DANTRIUM                     |
| quinine sulfate             | QUINAMM(\$)                  |

**D. SEIZURES**

|                   |                           |
|-------------------|---------------------------|
| phenobarbital     | PHENOBARBITAL (\$)        |
| phenytoin         | DILANTIN (\$)             |
| carbamazepine     | TEGRETOL (\$\$\$)         |
| primidone         | MYSOLINE (\$\$\$\$)       |
| ethosuximide      | ZARONTIN (\$\$\$\$\$)     |
| divalproex sodium | DEPAKOTE ER               |
| topiramate        | TOPAMAX (\$\$\$\$\$\$\$)  |
| lamotrigine       | LAMICTAL (\$\$\$\$\$\$\$) |
| valproic acid     | DEPAKENE (\$\$\$\$\$)     |



BLOOD MODIFIERS

|                                    |                                      |
|------------------------------------|--------------------------------------|
| warfarin                           | COUMADIN (\$\$\$)                    |
| pentoxifylline                     | TRENTAL                              |
| heparin (INPATIENT ONLY)           |                                      |
| aspirin                            |                                      |
| dipyridamole                       | PERSANTINE (\$\$)                    |
| anti-hemophiliac factor            |                                      |
| erythropoietin                     | EPOGEN/PROCRIT(\$\$\$\$\$\$\$\$\$\$) |
| G-CSF                              | NEUPOGEN (\$\$\$\$\$\$\$\$\$\$)      |
| urokinase (INPATIENT ONLY)         |                                      |
| protamine sulfate (INPATIENT ONLY) |                                      |

**3. CARDIOVASCULAR AGENTS**

**A. ANTIARRHYTHMICS AND CARDIAC GLYCOSIDES**

|                    |         |
|--------------------|---------|
| digoxin (not caps) | LANOXIN |
|--------------------|---------|

**B. ANTIHYPERTENSIVES**

**1. DIURETICS**

|                                 |                  |
|---------------------------------|------------------|
| hydrochlorothiazide (hctz)      | HYDRODIURIL (\$) |
| furosemide                      | LASIX (\$)       |
| spironolactone                  | ALDACTONE (\$\$) |
| hydrochlorothiazide/triamterene | MAXZIDE (\$)     |

**2. BETA BLOCKERS**

|                           |               |
|---------------------------|---------------|
| propranolol hydrochloride | INDERAL (\$)  |
| atenolol                  | TENORMIN (\$) |

**3. ALPHA AND BETA BLOCKERS**

|            |                    |
|------------|--------------------|
| metoprolol | LOPRESSOR (\$)     |
| labetalol  | NORMODYNE (\$\$\$) |
|            | TRANDATE (\$\$\$)  |

**4. CALCIUM CHANNEL BLOCKERS**

|                             |                      |
|-----------------------------|----------------------|
| verapamil                   | CALAN (\$)           |
| nifedipine                  | ADALAT (\$)          |
| diltiazem sustained release | (\$\$\$\$)           |
| amlodipine                  | NORVASC (\$\$\$\$\$) |

**5. ACE INHIBITORS**

|           |                |
|-----------|----------------|
| enalapril | VASOTEC (\$\$) |
| captopril | CAPOTEN (\$)   |

**6. ANGIOTENSIN II RECEPTOR ANTAGONIST**

|                    |                     |
|--------------------|---------------------|
| losartan potassium | COZAAR (\$\$\$\$\$) |
|--------------------|---------------------|

**7. ALPHA ADRENERGIC BLOCKERS AND CENTRALLY ACTING**

|                       |          |
|-----------------------|----------|
| clonidine (ORAL ONLY) | CATAPRES |
|-----------------------|----------|



|                   |                  |
|-------------------|------------------|
|                   | (RESTRICTED)(\$) |
| prazosin (not XL) | MINIPRESS (\$)   |
| terazosin         | HYTRIN (\$\$\$)  |

**8. VASODILATORS**

|                                  |                |
|----------------------------------|----------------|
| hydralazine (100mg tabs-nonform) | APRESOLINE(\$) |
|----------------------------------|----------------|

**C. NITRATES**

|                        |                       |
|------------------------|-----------------------|
| nitroglycerin          | NITROSTAT S.L. (\$\$) |
|                        | NITRO-BID (\$)        |
| isosorbide mononitrate | IMDUR (\$\$\$\$\$\$)  |

**D. ANTIHYPERLIPIDEMICS**

|                                 |                               |
|---------------------------------|-------------------------------|
| Niacin (IMMEDIATE RELEASE ONLY) | OTC NIACIN (\$)               |
| cholestyramine                  | QUESTRAN (\$\$\$\$\$\$)       |
|                                 | QUESTRAN- LIGHT(\$\$\$\$\$\$) |
| gemfibrozil                     | LOPID (\$)                    |

HMG CO-A reductase inhibitors  
 lovastatin (do not use w/patients on  
 Protese inhibitors)

MEVACOR (\$\$)

**4. PAIN AND INFLAMMATORY DISEASES**

**A. NONSTEROIDAL ANTI-INFLAMMATORY DRUGS**

|                         |     |                         |
|-------------------------|-----|-------------------------|
| ibuprofen               | OTC | ADVIL (\$)              |
|                         | OTC | NUPRIN (\$)             |
| ibuprofen               |     | MOTRIN (\$)             |
| salsalate               |     | DISALCID (\$\$\$)       |
| naproxen                |     | NAPROSYN (\$)           |
| Sulindac                |     | CLINORIL                |
| etodolac (not xl)       |     | LODINE (NOT XL)         |
| aspirin                 |     | ANAPROX DS (\$\$)       |
| ketorolac thromethamine |     | TORADOL – IM (\$\$\$\$) |
|                         |     | TORADOL oral (\$\$\$\$) |

**B. NARCOTIC ANALGESICS**

**MODERATE PAIN**

|  |                  |
|--|------------------|
| acetaminophen/codeine                    | TYLENOL #3 (\$)  |
| hydrocodone bitartrate and acetaminophen | VICODIN (\$)(\$) |
| aspirin                                  | APAP             |
|  | TYLENOL (\$)     |

**SEVERE PAIN**

|                             |                                 |
|-----------------------------|---------------------------------|
| morphine                    | MSIR C-II                       |
|                             | MS-CONTIN (\$\$\$\$\$\$)        |
| meperidine (INPATIENT ONLY) | DEMEROL C-II (\$\$\$\$\$\$\$\$) |

**NARCOTIC ANTAGONIST:**

|                        |        |
|------------------------|--------|
| naloxone hydrochloride | NARCAN |
|------------------------|--------|

**C. OTHER ANALGESICS**



tramadol

ULTRAM(RESTRICTED)  
(\$\$\$\$\$)

**D. ANTI GOUT MEDICATIONS**

probenecid  
allopurinol  
colchicine

BENEMID (\$\$\$\$\$)  
ZYLOPRIM (\$)  
COLCHICINE (\$\$\$)

**5. PSYCHIATRIC MEDICATIONS**

**General Guidelines:**

Definitions:

Preferred psychotropic drugs have been recommended by the Psychiatric Advisory Committee on the basis of clinical efficacy, safety, and cost-effectiveness.

Non-preferred psychotropic drugs are usually more expensive than preferred drugs. They are generally prescribed only where a preferred drug is not appropriate. Typically, they are therapeutically equivalent to preferred drugs.

Unclassified drugs are neither preferred nor non-preferred. They are usually less expensive medications having side-effects that make them less desirable as first-line drugs. There are no restrictions on their use.

Controlled drugs are so classified by the FDA and require CAA approval.

Non-formulary drugs are reviewed on a case-by-case basis.

Adequate trial means one of the following: (1) a medication has been administered at generally accepted therapeutic doses for a sufficient period of time to conclude that the medication was ineffective. In most cases, this means several weeks, though for some medications and contexts, the time required may be shorter. (2) a medication causes adverse effects such that sustained treatment at an adequate dose is not possible.

Use of non-preferred drugs must meet the following criteria:

A. One of the following is true:

1. The patient failed an adequate trial of a preferred medication. If the clinician seeking to prescribe a non-preferred medication did not personally oversee an adequate trial, then there should be convincing evidence from the history that such a trial took place.
2. The preferred drug(s) are contraindicated or pose other, unnecessary medical or psychiatric risks (for example, an elevated prolactin level and gynecomastia or a pre-existing movement disorder might justify administering olanzapine or quetiapine without a trial of risperidone).
3. There are other compelling reasons for initiating treatment with a non-preferred drug. This might include clinical benefit already established on a non-preferred drug in a patient/prisoner who had been difficult to manage

B. The prescriber has completed a non-preferred medication form and submitted it to the CAA.

Preferred and Non-preferred Drugs in Major Categories



We have used Trade and generic names with care. Paroxetine (Paxil) and clozapine (Clozaril) are available as generics, but even as such the prices are high, so these have been placed among the non-preferred drugs.

**A. ANTIDEPRESSANT AND ANTI-OBSESSIVE MEDICATIONS**

Preferred: fluoxetine; bupropion; bupropion-SR; trazodone; citalopram;  
 mirtazapine  
 Non-preferred: Zoloft; paroxetine; Effexor; Remeron-sol  
 Unclassified: tricyclic antidepressants

|                           |            |
|---------------------------|------------|
| Fluoxetine (first choice) | PROZAC     |
| amitriptyline             | ELAVIL     |
| imipramine                | TOFRANIL   |
| doxepin                   | SINEQUAN   |
| desipramine               | NORPRAMIN  |
| trazodone                 | DESYREL    |
| clomipramine              | ANAFRANIL  |
| nortriptyline             | PAMELOR    |
| bupropion                 | WELLBUTRIN |
| sertraline                | ZOLOFT     |
| venlafaxine hydrochloride | EFFEXOR    |
| paroxetine hydrochloride  | PAXIL      |
| mirtazapine               | REMERON    |
| citalopram Hbr            | CELEXA     |

**B. ANTIPSYCHOTIC MEDICATIONS**

Preferred: Risperdal  
 Non-preferred: Zyprexa, Seroquel, clozapine, Abilify  
 Unclassified: Geodon; all traditional neuroleptics that are on-formulary  
 Non-formulary: Consta (see below)

|                               |                |
|-------------------------------|----------------|
| <b>aripiprazole</b>           | <b>ABILIFY</b> |
| haloperidol                   | HALDOL         |
| trifluoperazine               | STELAZINE      |
| thioridazine                  | MELLARIL       |
| fluphenazine                  | PROLIXIN       |
| thiothixene                   | NAVANE         |
| loxapine                      | LOXITANE       |
| perphenazine                  | TRILAFON       |
| chlorpromazine (not spansule) | THORAZINE      |
| clozapine (third line agent)  | CLOZARIL       |
| risperidone (first choice)    | RISPERDAL      |
| olanzapine                    | ZYPREXA        |
| quetiapine fumarate           | SEROQUEL       |
| ziprazidone (first choice)    | GEODON         |

**C. MOOD STABILIZER MEDICATIONS**

Preferred: Valproic acid (generic); lithium carbonate  
 Non-preferred: Depakote; Trileptal; Topamax



Unclassified: carbamazepine; Lamictal<sup>1</sup>

|                   |          |
|-------------------|----------|
| lithium carbonate |          |
| carbamazepine     | TEGRETOL |
| divalproex sodium | DEPAKOTE |
| valproic acid     | DEPAKENE |

**D. ANTI-ANXIETY/HYPNOTIC MEDICATIONS**

|                   |  |                    |
|-------------------|--|--------------------|
| Preferred:        | hydroxyzine pamoate; diphenhydramine; buspirone                      |                    |
| Non-preferred:    | none   |                    |
| Controlled drugs: | oral benzodiazepines require CAA approval                            |                    |
| Unclassified:     | intramuscular lorazepam; clomipramine (for OCD) and other tricyclics |                    |
|                   | hydroxyzine  | ATARAX<br>VISTARIL |
|                   | lorazepam*   | ATIVAN             |
|                   | clonazepam*  | KLONOPIN           |
|                   | buspirone  | BUSPAR             |
|                   | diphenhydramine  | BENADRYL           |
|                   | hydroxyzine  | ATARAX<br>VISTARIL |

**E. BETA ADRENERGIC RECEPTOR ANTAGONISTS**

Formulary drugs in this group are unclassified

|             |           |
|-------------|-----------|
| atenolol    | TENORMIN  |
| metoprolol  | LOPRESSOR |
| propranolol | INDERAL   |

**F. ANTI-PARKINSONIAN MEDICATIONS**

Formulary drugs in this group are unclassified

|                 |           |
|-----------------|-----------|
| diphenhydramine | BENADRYL  |
| trihexyphenidyl | ARTANE    |
| benztropine     | COGENTIN  |
| amantadine      | SYMMETREL |

**6. EYE, EAR AND NOSE**

**A. EYE**

**1. ANTI-INFECTIVES (OPHTHALMIC)**

|                                    |                      |
|------------------------------------|----------------------|
| gentamicin                         | GARAMYCIN (\$)       |
|                                    | GENOPTIC (\$)        |
| trifluridine                       | VIROPTIC (\$\$\$\$)  |
| tobramycin and dexamethasone       | TOBRADEX (\$)        |
| ofloxacin ophthalmic solution 0.3% | OCUFLOX (\$\$\$\$\$) |
| erythromycin oint 0.5%             | ILOTYCIN             |

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<sup>1</sup> Lamictal is an expensive drug. Because its therapeutic profile is unique, targeting the depressive phase of bipolar disorder, we have not included it among the non-preferred drugs. Note that higher dosage forms (200mg) are not much more expensive than lower dosage forms (25mg). Although the PDR recommends divided dosing above 25mg, Lamictal's pharmacokinetics vary dramatically with co-administration of other anticonvulsants. This should be considered when deciding whether to divide doses in a particular case.





**2. OTHER NASAL**

Saline Nasal Spray (\$)

**7. GASTROINTESTINAL DRUGS**

**A. DIARRHEA/ANTI-DIARRHEALS**

aolin/pectin OTC KAOPECTATE (\$)  
 loperamide OTC IMODIUM A-D (\$)

**B. DIGESTION**

Lactase (\$\$)  
 pancrelipase VIOKASE (\$\$\$\$\$)

**C. ANTIEMETICS**

metoclopramide REGLAN (\$)  
 trimethobenzamide TIGAN (\$)  
 prochlorperazine (not spansule) COMPAZINE (\$\$\$)  
 meclizine ANTIVERT (\$)

**D. ULCERS/GERD**

Antacids (magnesium-aluminum hydroxyd) (\$)  
 sucralfate CARAFATE (\$\$\$\$)  
 ranitidine ZANTAC (\$\$)  
 alginic acid/simethicone GAVISCON (\$\$)  
 aluminum hydroxide AMPHOGEL (\$\$\$)  
 calcium carbonate TUMS (\$\$)  
 omeprazole PRILOSEC – OTC (\$\$)

**E. SPASM**

dicyclomine BENTYL (\$\$\$)  
 glycopyrrolate (INPATIENT ONLY) ROBINUL

**F. CATHARTICS/LAXATIVES/ANTI-HEMORRHOIDS**

bisacodyl tab DULCOLAX (\$)  
 bisacodyl supp (\$)  
 citrate of magnesia soln (\$)  
 docusate sodium cap COLASE (\$)  
 fleet enema  
 fleet prep kit #1  
 glycerin supp  
 golytely lavage (\$\$\$)  
 mineral oil enema (\$)  
 psyllium mucilloid METAMUCIL (\$\$)  
 activated w/charcoal powd  
 dibucaine ointment  
 anusol HC supp/cream  
 milk of magnesia (\$)  
 anusol supp/cream (\$)  
 lactulose (\$)



**8. HORMONES**

**A. ADRENAL CORTICOSTEROIDS**

|                         |                   |
|-------------------------|-------------------|
| prednisone              | ORASONE (\$)      |
| hydrocortisone          | CORTEF (\$)       |
| dexamethasone           | DECADRON (\$)     |
| methylprednisolone      | MEDROL (\$\$\$\$) |
| triamcinolone acetonide | KENALOG-10 (\$\$) |
|                         | KENALOG-40 (\$\$) |

**B. THYROID**

**1. THYROID AGENTS**

|                   |      |
|-------------------|------|
| levothyroxine tab | (\$) |
|-------------------|------|

**2. ANTITHYROID AGENTS**

|                      |                             |
|----------------------|-----------------------------|
| methimazole tab      | TAPAZOLE (\$\$\$\$\$\$\$\$) |
| propylthiouracil tab | PTU (\$)                    |

**C. ANDROGEN HORMONE INHIBITOR**

|             |                            |
|-------------|----------------------------|
| finasteride | PROSCAR (\$\$\$\$\$\$\$\$) |
|-------------|----------------------------|

**9. DIABETES MELLITUS**

**A. INSULINS**

|                 |          |
|-----------------|----------|
| lente-human inj | (\$\$\$) |
| NPH-human inj   | (\$\$\$) |
| regular-human   | (\$\$)   |
| 70/30 humulin   | (\$\$\$) |

**B. ORAL AGENTS**

**1. SULFONYLUREAS**

|               |  |
|---------------|--|
| glyburide tab | DIABETA/MICRONASE(\$)                  |
| glipizide     | GLUCOTROL (SHORT<br>(ACTING ONLY) (\$) |

**2. PHENFORMINS**

|           |                                   |
|-----------|-----------------------------------|
| metformin | GLUCOPHAGE (SHORT<br>ACTING ONLY) |
|-----------|-----------------------------------|

**3. MISCELLANEOUS ANTIDIABETIC AGENTS**

|                       |                            |
|-----------------------|----------------------------|
| glucagon inj          |                            |
| rosiglitazone maleate | AVANDIA (\$\$\$\$\$\$\$\$) |

**10. SKIN**

**A. ANTI-INFECTIVES (TOPICAL)**

|                            |                            |
|----------------------------|----------------------------|
| metronidazole gel          | METROGEL silver (\$\$\$\$) |
| sulfadiazine               | SILVADENE (\$)             |
| bacitracin oint            | (\$)                       |
| clindamycin gel            | (\$\$)                     |
| neomycin/polymyxin B-irrig | (\$)                       |
| triple antibiotic oint     | (\$)                       |

**B. ANTIFUNGALS (TOPICAL)**

|            |     |               |
|------------|-----|---------------|
| tolnaftate | OTC | TINACTIN (\$) |
|------------|-----|---------------|



|                        |     |                    |
|------------------------|-----|--------------------|
| clotrimazole           | OTC | LOTRIMIN AF (\$)   |
|                        | OTC | MYCELEX OTC (\$)   |
| nystatin cr/oint       |     | MYCOSTATIN (\$)    |
|                        |     | NILSTAT (\$)       |
| nystatin/triamcinolone |     | MYCOLOG II (\$\$)  |
| ketoconazole           |     | NIZORAL (\$\$\$\$) |
| clotrimazole soln      |     | (\$\$)             |
| clotrimazole loz       |     | (\$\$)             |
| clotrimazole tab       |     | (\$\$)             |

**C. SCABIES AND PEDICULUS**

|  |  |                      |
|--|--|----------------------|
| lindane lot  |  | KWELL (\$\$)         |
| lindane sham   |  | KWELL (\$\$)         |
| permethrin 5% (for use with pregnant<br>or lactating women only) |  | ELIMITE (\$\$\$\$\$) |

**D. KERATOPLASTIC AGENTS**

|                          |  |             |
|--------------------------|--|-------------|
| selenium sulfide shampoo |  | SELSUN (\$) |
| coal tar crm             |  | (\$)        |
| coal tar gel             |  | (\$)        |
| coal tar sham            |  | (\$)        |
| coal tar soln            |  | (\$)        |
| selenium sulfide lotion  |  | (\$)        |

**E. ANTI-INFLAMMATORIES (TOPICAL)**

**GROUP VII (Lowest Potency)**

|                            |  |      |
|----------------------------|--|------|
| hydrocortisone 0.5% & 1.0% |  | (\$) |
|----------------------------|--|------|

**GROUP VI**

|                                   |  |               |
|-----------------------------------|--|---------------|
| fluocinolone acetonide soln 0.01% |  | SYNALAR (\$)  |
| betamethasone valerate lot 0.1%   |  | VALISONE (\$) |

**GROUP V**

|                                      |  |                |
|--------------------------------------|--|----------------|
| triamcinolone acetonide lot 0.1%     |  | KENALOG (\$)   |
| betamethasone valerate crm 0.1%      |  | VALISONE (\$)  |
| fluocinolone acetonide crm 0.025%    |  | SYNALAR (\$)   |
| betamethasone dipropionate lot 0.05% |  | DIPROSONE (\$) |

**GROUP IV**

|                                    |  |              |
|------------------------------------|--|--------------|
| triamcinolone acetonide oint 0.1%  |  | KENALOG (\$) |
| fluocinolone acetonide oint 0.025% |  | SYNALAR (\$) |

**GROUP III**

|                                      |  |                |
|--------------------------------------|--|----------------|
| triamcinolone acetonide cream 0.5%   |  | KENALOG (\$)   |
| betamethasone valerate oint 0.1%     |  | VALISONE (\$)  |
| betamethasone dipropionate crm 0.05% |  | DIPROSONE (\$) |

**GROUP II**

|                                       |  |                |
|---------------------------------------|--|----------------|
| betamethasone dipropionate oint 0.05% |  | DIPROSONE (\$) |
| fluocinonide crm/gel 0.05%            |  | LIDEX (\$)     |



fluocinonide oint 0.05% LIDEX (\$)

**F. KERATOLYTICS**

salicylic acid DUO-FILM (\$)  
 OCCLUSAL-HP (\$)  
 KERALYT (\$)  
 medicated bunion pads (\$)  
 podophyllum soln (\$)  
 salicylic acid plas (\$)  
 urea lotion (\$)  
 trichloroacetic acid solution (\$)  
 podofilox CONDYLOX (solution & gel)  
 (\$\$\$\$\$\$\$\$\$)

**G. ANTIPRURITICS & LOCAL ANESTHETIC**

benzocaine spr (INPATIENT ONLY)  
 calamine lot (\$)  
 xylocaine viscous LIDOCAINE (\$)  
 xylocaine (injectable): with and without LIDOCAINE (\$)  
 epinephrine (\$)  
 chloroethane spr soln ETHYLCHLORIDE SPRAY(\$)  
 dibucaine oint DIBUCAINE (\$\$)

**H. ASTRINGENTS**

alum sulfate/calcium acetate tab (\$)  
 witch hazel pad (\$)

**I. EMOLLIENT, DEMULCENT, PROTECTANTS**

lemon glycerin swabs (\$)  
 skin lotion (\$)  
 skin lotion, medicated (\$)  
 white petrolatum oint (\$)

**J. SUNSCREEN AGENTS**

aminobenzoic acid (PABA) lot  
 zinc oxide oint  
 hydroquinone (PABA free) ELDOQUIN FORTE  
 ELDOPAQUE FORTE  
 hydroquinone/sunscreen agents SOLAQUIN FORTE

**K. MISCELLANEOUS SKIN & MUCOUS MEMBRANE AGENTS**

adhesive remover  
 clove oil soln  
 dextran polymer beads  
 fibrinolysin/desoxyribonuclease oint  
 fluorouracil crm  
 hydroactive dressing

**L. ACNE**





- 2. **MISCELLANEOUS INHALERS**  
cromolyn sodium INTAL (\$\$\$\$\$\$\$)
- 3. **BRONCHODILATOR INHALERS**  
albuterol PROVENTIL (\$)  
ipratropium ATROVENT (\$\$\$\$\$)
- D. **BRONCHODILATOR SOLUTIONS**  
ipratropium inhalant soln ATROVENT (\$\$\$\$\$)  
albuterol (\$\$\$\$)
- E. **LEUKOTRIENE RECEPTOR ANTAGONIST**  
zafirlukast ACCOLATE (\$\$\$\$\$)
- F. **COUGH/EXPECTORANT**  
benzonatate TESSALON PERLES (\$)  
guaifenesin HUMIBID - L.A. TABLETS (\$)
- G. **ANTIHISTAMINES**
  - 1. **PHENOTHIAZINES**  
promethazine PHENERGAN (\$)
  - 2. **PIPERIDINES**  
cyproheptadine PERIACTIN (\$)
  - 3. **ALKYLAMINES**  
chlorpheniramine OTC CHLOR-TRIMETON (\$\$\$)  
OTC CHLOR-TRIMETON(\$\$\$\$\$)  
REPETABS 8, 12 mg  
dextbrompheniramine 6mg/ OTC DRIXOMED SA (\$\$\$)  
pseudoephedrine 120mg
  - 4. **ETHANOLAMINES**  
diphenhydramine 25mg OTC BENADRYL (\$)  
diphenhydramine 50mg BENADRYL (\$)
  - 5. **MISCELLANEOUS**  
hydroxyzine (\$\$)  
pseudoephedrine HCL (\$\$)  
epinephrine auto-injector EPIPEN (\$\$\$\$\$\$\$)

**13. SUPPLEMENTS**

**A. MINERALS**

**1. TABLETS**

- calcium carbonate/vitamin D tab
- potassium chloride tab
- ferrous sulfate tabs



**2. SOLUTIONS/INJECTION**

calcium gluconate inj (INPATIENT ONLY)  
 NaCl soln  
 NaCl bacteriostatic inj  
 potassium chloride soln  
 bacteriostatic water  
 potassium chloride inj (INPATIENT ONLY)  
 iron dextran inj

**B. VITAMINS**

Vitamin B Complex  
 cyanocobalamin inj  
 folic acid tab  
 nicotinic acid tab  
 pyridoxine tab  
 thiamine tab  
 thiamine inj  
 vitamin B complex w/vitamin C

Vitamin C  
 ascorbic acid tab

Multivitamin Preparations  
 infusion inj  
 nephrocaps cap  
 prenatal tab  
 multivitamin with minerals and iron  
 multivitamin

**C. DIETARY SUPPLEMENT**

Liquid dietary supplement

**14. I.V. SOLUTIONS**

0.45% Sodium Chloride  
 0.9% Sodium Chloride  
 Lactated Ringers  
 D5 1/4 NS  
 D5 1/3 NS  
 D5 2 NS  
 D5 NS  
 D5W  
 D10

**15. MISCELLANEOUS DRUGS**

**A. ALKALINIZING AGENTS**

sodium bicarbonate inj

**B. ANESTHETICS (ALL INPATIENT ONLY)**

Forane Inhalant 125ml  
 Pentothal 500mg IV  
 Sublimaze 5ml IV  
 Sufenta 50meg/ml 2ml  
 Inapsine 2.5mg/ml 2ml



Suprane INH. Solution (Desflurane) 240ml  
Midazolam 2mg/ml  
Vecuronium Br Norcuron 1mg/ml 10ml  
Diprivan 10mg/ml 20ml  
Diprivan 50cc Jug

**C. ANTI-INFECTIVES**

acetic acid-otic soln  
silver nitrate

**D. CALORIC AGENTS**

dextrose soln 50%  
glucose gel

**E. CONTACT LENS SOLUTIONS**

contact lens clean & disinfect soln  
contact lens cleaner  
papain tab  
preserved saline soln  
sodium chloride lens soln

For soft contact lenses:

Disinfecting Solution

ReWetting Drops  
Cleaner

**F. DEVICES**

contact lens case  
iv adm set: macro Y  
macro drip  
micro Y  
micro drip

**G. LABORATORY DIAGNOSTICS**

chemstrip-bg or equiv  
glucostix strip or equiv  
combistix  
keto-diastrix  
labstix

**H. IRRIGATING SOLUTIONS**

NaCl irr  
sterile water soln

**I. POTASSIUM-REMOVING RESINS**

sodium polystyrene sulfonate susp

**J. PHOSPHOROUS-REMOVING RESINS**

calcium acetate

PHOSLO

**K. ROENTGENOGRAPHY**



iopanoic acid tab  
sodium diatrizoate inj

**L. TOXOIDS/VACCINES**

diphtheria/tetanus inj  
tetanus inj  
hepatitis B virus inact inj  
influenza trivalent adult inj  
pneumococcal polyvalent inj  
MMR vaccine  
measles vaccine  
rubella vaccine  
Hepatitis A Vaccine, Inactivated HAVRIX  
Hepatitis A Inactivated &  
Hepatitis B (Recombinant) Vaccine TWINRIX

**M. UNCLASSIFIED THERAPEUTIC AGENTS**

bandage/zinc oxide, calamine gel  
rhogam  
chlorhexadine gluconate 0.12% oral rinse

**N. URINARY TRACT AGENTS**

**ANTISPASMODICS**

oxybutynin DITROPAN TABLETS (\$)

**ANALGESIC**

phenazopyridine HCl PYRIDIUM (\$)

**BENIGN PROSTATIC HYPERPLASIA (BPH) THERAPY**

tamsulosin HCL FLOMAX (\$\$\$\$\$)



**16. RESTRICTED DRUG LIST**

**Michigan Department of Corrections**

**RESTRICTED DRUG LIST**

Restricted medication is defined as medication which is administered by a nurse. When taken orally all restricted medication must be observed being ingested.

All additions to or deletions from the restricted drug list shall be conveyed to the Deputy Director of Correctional Facilities Administration, for dissemination along the custody chain of command, by the Chief Medical Officer.

When a medication is restricted at a particular facility, the Warden of the facility will be notified by the Regional Medical Officer. This is to occur when the temporary restriction is imposed and again when it is lifted.

**A. Psychotropics**

All medication listed in Section 7 – Psychiatric (when ordered by a psychiatrist)

Non psychotropics when used for psychiatric reasons:

- Benztropine Mesylate (COGENTIN)
- Trihexyphenidyl HCl (ARTANE)
- Diphenhydramine (BENEDRYL)

**B. All scheduled medications**

- Meperidine hydrochloride (DEMEROL)
- Phenobarbital

**C. Drugs with high potential for abuse**

- Cyclobenzaprine HCl (FLEXERIL)
- Primidone (MYSOLINE)
- Prochlorperazine (COMPAZINE)
- Promethazine HCl (PHENERGAN)
- Trimethobenzamide HCl (TIGAN)
- Hydroxyzine hydrochloride (ATARAX)
- Baclofen (LIORESAL)
- Clonidine (CATAPRES)
- Tramadol hydrochloride (ULTRAM)
- Podofilox (CONDYLOX)

**D. Others**

- All Injectables
- INH
- ALL Anti-Tuberculosis Agents
- RIBAVIRIN



**OTC/STORE LIST**

**See Attachment to Policy Directive 04.02.130, Attachment A - Standardized Store List  
MICHIGAN DEPARTMENT OF CORRECTIONS  
BUREAU OF HEALTH CARE SERVICES  
GUIDELINES FOR OVER THE COUNTER MEDICATIONS**

These are the only OTCs that will be stocked in ambulatory clinics. They can be given out for these reasons, at the discretion of nursing staff.

- |   |   |
|---|---|
| 1. Acute trauma   | Acetaminophen and aspirin                       |
| 2. Dental procedure   | Acetaminophen                                   |
| 3. Fever >100.0 F orally  | Acetaminophen and aspirin                       |
| 4. Dyspepsia  | Liquid Antacid                                  |
| 5. Abrasions  | Antibiotic ointment                             |
| 6. Chronic anticholinergic medication use<br>(e.g., psychotropic) | Psyllium  |
| 7. Symptomatic hemorrhoids<br>cream                               | Psyllium, hemorrhoid suppositories and<br>cream |
| 8. Ectoparasite   | Pyrethrins with piperonyl butoxide              |
| a. Head or pubic lice   | Permethrin 1 (NIX)                              |
| 9. Psoriasis atopic/contact dermatitis<br>poison ivy              | 1.0% hydrocortisone cream/ointment              |
| 10. Cerumen impaction   | Mineral oil drops                               |
| 11. Wart removal  | salicylic acid plaster                          |
| 12. Constipation  | Milk of Magnesia                                |
| 13. Diarrhea  | Kaopectate                                      |
| 14. Cathartic/laxative  | Fleets  |
| 15. Chest pain  | Aspirin   |

## APPENDIX G: CLIENT CENSUS SUMMARY REPORT

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MICHIGAN DEPARTMENT OF CORRECTIONS  
 CLIENT CENSUS SUMMARY REPORT  
 REPORT NO. CB971

| PRISONER LOCATION<br>(MALES)             | NET            |                    | +/-           |                    | *** CLASSIFICATION BREAKDOWN *** |              |              | ** HOUSING ** |               |              |               |              |
|--|----------------|--------------------|---------------|--------------------|----------------------------------|--------------|--------------|---------------|---------------|--------------|---------------|--------------|
|  | TOTAL CAPACITY | OPERATING CAPACITY | TOTAL COUNT   | OPERATING CAPACITY | MONTH CHANGE                     | MAX          | CLOSE        | MED           | MIN           | ADMIN SEG    | MENTAL HEALTH | OTHER        |
| ACF-FLORENCE CRANE CORRECTIONAL FAC.     | 1,063          | 1,056              | 1,051         | -5                 | +3                               | 0            | 0            | 0             | 1,047         | 0            | 0             | 4            |
| AMF-BARAGA MAXIMUM FACILITY              | 856            | 821                | 823           | +2                 | +6                               | 250          | 0            | 0             | 238           | 304          | 0             | 31           |
| ARF-GUS HARRISON CORRECTIONAL FACILITY   | 1,140          | 1,128              | 1,106         | -22                | +5                               | 0            | 185          | 715           | 118           | 1            | 68            | 19           |
| ATF-PARR HIGHWAY CORRECTIONAL FACILITY   | 1,042          | 1,040              | 1,037         | -3                 | +78                              | 0            | 0            | 0             | 1,036         | 0            | 0             | 1            |
| DRF-CARSON CITY CORRECTIONAL FACILITY    | 1,246          | 1,235              | 1,239         | +4                 | +4                               | 0            | 384          | 717           | 120           | 0            | 0             | 18           |
| ECF-OAKS CORRECTIONAL FACILITY           | 987            | 902                | 908           | +6                 | +27                              | 0            | 674          | 0             | 0             | 227          | 0             | 7            |
| HTF-HIAWATHA CORRECTIONAL FACILITY       | 962            | 960                | 959           | -1                 | +5                               | 0            | 0            | 0             | 957           | 0            | 0             | 2            |
| HVM-HURON VALLEY CORRECTIONAL FACILITY   | 498            | 416                | 436           | +20                | +12                              | 0            | 60           | 0             | 0             | 0            | 206           | 170          |
| IBC-BELLAMY CREEK CORRECTIONAL FACILITY  | 1,868          | 1,845              | 1,812         | -33                | -4                               | 0            | 463          | 701           | 322           | 119          | 0             | 207          |
| ICF-IONIA MAXIMUM CORRECTIONAL FACILITY  | 666            | 618                | 575*          | -43                | -6                               | 221          | 0            | 235           | 0             | 82           | 0             | 37           |
| ITF-DEERFIELD CORRECTIONAL FACILITY      | 960            | 960                | 949           | -11                | -8                               | 0            | 0            | 0             | 949           | 0            | 0             | 0            |
| JCF-COTTON CORRECTIONAL FACILITY         | 1,854          | 1,828              | 1,807         | -21                | +39                              | 0            | 170          | 714           | 902           | 0            | 0             | 21           |
| JCS-COOPER STREET CORRECTIONAL FACILITY  | 1,354          | 1,336              | 1,327         | -9                 | +51                              | 0            | 0            | 0             | 838           | 0            | 0             | 489          |
| JMF-SOUTHERN MICHIGAN CORRECTIONAL FACIL | 1,460          | 1,427              | 1,423         | -4                 | +0                               | 0            | 161          | 1,166         | 0             | 37           | 0             | 59           |
| KCF-KINROSS CORRECTIONAL FACILITY        | 1,777          | 1,735              | 1,722         | -13                | -3                               | 0            | 0            | 1,384         | 230           | 12           | 0             | 96           |
| KTF-STRAITS CORRECTIONAL FACILIY         | 962            | 961                | 954           | -7                 | +1                               | 0            | 0            | 0             | 953           | 0            | 0             | 1            |
| LCF-LAKELAND MEN'S CORRECTIONAL FACILITY | 1,344          | 1,339              | 1,339         | +0                 | +18                              | 0            | 0            | 1,252         | 0             | 0            | 0             | 87           |
| LMF-ALGER MAXIMUM FACILITY               | 536            | 531                | 525           | -6                 | +9                               | 261          | 0            | 0             | 0             | 250          | 0             | 14           |
| LRF-BROOKS CORRECTIONAL FACILITY         | 1,246          | 1,219              | 1,230         | +11                | +6                               | 0            | 382          | 719           | 114           | 1            | 0             | 14           |
| MBP-MARQUETTE BRANCH PRISON              | 1,089          | 1,075              | 1,043         | -32                | -10                              | 356          | 0            | 0             | 531           | 131          | 0             | 25           |
| MCF-MUSKEGON CORRECTIONAL FACILITY       | 1,338          | 1,332              | 1,324         | -8                 | +40                              | 0            | 0            | 1,319         | 0             | 0            | 0             | 5            |
| MPF-PUGSLEY CORRECTIONAL FACILITY        | 1,160          | 1,159              | 1,151         | -8                 | +14                              | 0            | 0            | 0             | 1,149         | 0            | 0             | 2            |
| MRF-MACOMB CORRECTIONAL FACILITY         | 1,246          | 1,235              | 1,228         | -7                 | -3                               | 0            | 382          | 713           | 120           | 4            | 0             | 9            |
| MTF-WEST SHORELINE CORRECTIONAL FACILITY | 962            | 960                | 956           | -4                 | -4                               | 0            | 0            | 0             | 956           | 0            | 0             | 0            |
| MTU-RICHARD A. HANDLON CORRECTIONAL FACI | 1,331          | 1,319              | 1,299         | -20                | +0                               | 0            | 0            | 1,269         | 0             | 0            | 0             | 30           |
| NCF-NEWBERRY CORRECTIONAL FACILITY       | 944            | 940                | 937           | -3                 | +3                               | 0            | 0            | 933           | 0             | 0            | 0             | 4            |
| NRF-MOUND CORRECTIONAL FACILITY          | 1,070          | 1,041              | 1,054         | +13                | +5                               | 0            | 0            | 1,033         | 0             | 3            | 0             | 18           |
| OCF-OJIBWAY CORRECTIONAL FACILITY        | 1,042          | 1,041              | 1,029         | -12                | +81                              | 0            | 0            | 607           | 419           | 0            | 0             | 3            |
| OTF-BOYER ROAD CORRECTIONAL FACILITY     | 963            | 960                | 956           | -4                 | -3                               | 0            | 0            | 0             | 955           | 0            | 0             | 1            |
| RCF-RIVERSIDE CORRECTIONAL FACILITY      | 1,211          | 1,168              | 1,129         | -39                | -9                               | 0            | 0            | 843           | 0             | 0            | 281           | 5            |
| RGC-CHARLES EGELER RECEPTION & GUIDANCE  | 1,656          | 1,624              | 1,591         | -33                | +11                              | 0            | 0            | 64            | 52            | 0            | 0             | 1,475        |
| RRF-RYAN CORRECTIONAL FACILITY           | 1,066          | 1,052              | 1,050         | -2                 | +11                              | 0            | 0            | 1,027         | 0             | 5            | 0             | 18           |
| SLF-ST. LOUIS CORRECTIONAL FACILITY      | 1,243          | 1,215              | 1,209         | -6                 | +0                               | 0            | 743          | 378           | 0             | 67           | 0             | 21           |
| SMF-STANDISH MAXIMUM FACILITY            | 528            | 496                | 494           | -2                 | +8                               | 234          | 0            | 0             | 0             | 126          | 35            | 99           |
| SMT-PARNALL CORRECTIONAL FACILITY        | 1,364          | 1,364              | 1,356         | -8                 | -2                               | 0            | 0            | 0             | 1,351         | 0            | 0             | 5            |
| SPR-PINE RIVER CORRECTIONAL FACILITY     | 1,122          | 1,120              | 1,112         | -8                 | +159                             | 0            | 0            | 0             | 1,112         | 0            | 0             | 0            |
| SRF-SAGINAW CORRECTIONAL FACILITY        | 1,486          | 1,476              | 1,442         | -34                | -5                               | 0            | 607          | 706           | 113           | 0            | 0             | 16           |
| STF-MID-MICHIGAN CORRECTIONAL FACILITY   | 1,042          | 1,040              | 983           | -57                | +29                              | 0            | 0            | 0             | 983           | 0            | 0             | 0            |
| TCF-THUMB CORRECTIONAL FACILITY          | 1,216          | 1,196              | 1,186         | -10                | +46                              | 0            | 0            | 1,077         | 0             | 6            | 0             | 103          |
| URF-CHIPPEWA CORRECTIONAL FACILITY       | 1,150          | 1,130              | 1,137         | +7                 | +13                              | 0            | 192          | 715           | 118           | 60           | 0             | 52           |
| <b>CFA MALE INSTITUTIONS</b>             | <b>46,050</b>  | <b>45,300</b>      | <b>44,888</b> | <b>-412</b>        | <b>+627</b>                      | <b>1,322</b> | <b>4,403</b> | <b>18,287</b> | <b>15,683</b> | <b>1,435</b> | <b>590</b>    | <b>3,168</b> |

NOTE: (\*) - INDICATES THAT THE INSTITUTIONAL COUNTS WERE NOT ENTERED IN A TIMELY MANNER

# APPENDIX

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MICHIGAN DEPARTMENT OF CORRECTIONS  
 CLIENT CENSUS SUMMARY REPORT  
 REPORT NO. CB971

| PRISONER LOCATION                | NET               |                       | +/-            |                       | +/-<br>MONTH<br>CHANGE | *** CLASSIFICATION BREAKDOWN *** |       |        |        | ** HOUSING ** |                  |       |
|----------------------------------|-------------------|-----------------------|----------------|-----------------------|------------------------|----------------------------------|-------|--------|--------|---------------|------------------|-------|
|                                  | TOTAL<br>CAPACITY | OPERATING<br>CAPACITY | TOTAL<br>COUNT | OPERATING<br>CAPACITY |                        | MAX                              | CLOSE | MED    | MIN    | ADMIN<br>SEG  | MENTAL<br>HEALTH | OTHER |
| (MALES)                          |                   |                       |                |                       |                        |                                  |       |        |        |               |                  |       |
| CCU-CAMP CUSINO                  | 320               | 320                   | 317*           | -3                    | -3                     | 0                                | 0     | 0      | 317    | 0             | 0                | 0     |
| CDW-CAMP BRANCH                  | 546               | 545                   | 474            | -71                   | +6                     | 0                                | 0     | 0      | 474    | 0             | 0                | 0     |
| CKT-CAMP KITWEN                  | 240               | 240                   | 238            | -2                    | +2                     | 0                                | 0     | 0      | 238    | 0             | 0                | 0     |
| CLE-CAMP LEHMAN                  | 582               | 582                   | 580            | -2                    | +0                     | 0                                | 0     | 0      | 580    | 0             | 0                | 0     |
| CMQ-CAMP MANISTIQUE              | 216               | 216                   | 214            | -2                    | +1                     | 0                                | 0     | 0      | 214    | 0             | 0                | 0     |
| COT-CAMP OTTAWA                  | 240               | 240                   | 237            | -3                    | +0                     | 0                                | 0     | 0      | 237    | 0             | 0                | 0     |
| CFA MALE CAMPS                   | 2,144             | 2,143                 | 2,060          | -83                   | +6                     | 0                                | 0     | 0      | 2,060  | 0             | 0                | 0     |
| CFA MALE TOTAL                   | 48,194            | 47,443                | 46,948         | -495                  | +633                   | 1,322                            | 4,403 | 18,287 | 17,743 | 1,435         | 590              | 3,168 |
| (FEMALES)                        |                   |                       |                |                       |                        |                                  |       |        |        |               |                  |       |
| SCF-SCOTT CORRECTIONAL FACILITY  | 906               | 880                   | 829            | -51                   | +4                     | 20                               | 103   | 451    | 94     | 13            | 42               | 106   |
| WHV-HURON VALLEY COMPLEX - WOMEN | 859               | 832                   | 826            | -6                    | +9                     | 0                                | 0     | 252    | 541    | 0             | 22               | 11    |
| CBI-CAMP BRIGHTON                | 404               | 404                   | 400            | -4                    | +0                     | 0                                | 0     | 0      | 400    | 0             | 0                | 0     |
| CFA FEMALE TOTAL                 | 2,169             | 2,116                 | 2,055          | -61                   | +13                    | 20                               | 103   | 703    | 1,035  | 13            | 64               | 117   |
| CFA INST/CAMP TOTAL              | 50,363            | 49,559                | 49,003         | -556                  | +646                   | 1,342                            | 4,506 | 18,990 | 18,778 | 1,448         | 654              | 3,285 |
| ZPF-FEMALE PRISONER SAI          | 10                | 11                    | 17*            | +6                    | +7                     | 0                                | 0     | 0      | 17     | 0             | 0                | 0     |
| ZPM-MALE PRISONER SAI            | 136               | 151                   | 166*           | +15                   | +28                    | 0                                | 0     | 0      | 166    | 0             | 0                | 0     |
| PRISONER SAI TOTAL               | 146               | 162                   | 183            | +21                   | +35                    | 0                                | 0     | 0      | 183    | 0             | 0                | 0     |
| ** CFA TOTAL:                    | 50,509            | 49,721                | 49,186         | -535                  | +681                   | 1,342                            | 4,506 | 18,990 | 18,961 | 1,448         | 654              | 3,285 |
| JLS-PRISONERS IN COUNTY JAILS    | 0                 | 0                     | 62*            | +62                   | +9                     | 0                                | 0     | 0      | 62     | 0             | 0                | 0     |
| ** CFA GRAND TOTAL:              | 50,509            | 49,721                | 49,248         | -473                  | +690                   | 1,342                            | 4,506 | 18,990 | 19,023 | 1,448         | 654              | 3,285 |

NOTE: (\*) - INDICATES THAT THE INSTITUTIONAL COUNTS WERE NOT ENTERED IN A TIMELY MANNER

1. NOTE - NET OPERATING CAPACITY EXCLUDES BEDS NOT AVAILABLE FOR PERMANENT PRISONER PLACEMENT (DETENTION, OUT OF SERVICE, VACANT SPECIAL USE, ON-HOLD BEDS).

