Hospital Vendor Contract – Summary Sheet

- 1.
 Existing Vendor
 New Vendor
- 2. Name of Contract: <u>340B Contract Pharmacy Services Agreement</u>
- 3. Contract Parties: <u>Mangum Regional Medical Center and Granite Drug</u> <u>Company</u>
- 4. Contract Type Services: <u>340B Federal Discount Drug Program</u> a. Impacted hospital departments: 340B

5. Contract Summary (description of services, purpose, and justification --- describe each):

Mangum Regional Medical Center takes part in the 340B Federal Discount Drug Program. This program requires participating drug manufacturers to extend discount pricing to certain healthcare providers classified as covered entities. Mangum Regional Medical Center is a covered entity. The hospital is authorized to obtain 340B eligible medications at a reduced cost and then contract with a licensed pharmacy to manage and dispense its 340B eligible prescriptions.

This contract with Granite Drug Company will replace the previous contract between Mangum Drug Company and the Hospital that was terminated when Mangum Drug Company closed. Granite Drug has the same owner as Mangum Drug. The contract terms for Granite Drug are the same as with the previously signed contract with Mangum Drug. The Hospital will receive the net impact of the 340B prescription drug as income. The contract pharmacy will receive a dispensing fee. The dispensing fees for 340B eligible prescription is \$15 dispensing fee plus 25% of total reimbursement. For self-pay patients filling 340B eligible prescriptions the fee will be \$15 per prescription.

6. Cost: 🛛 \$0 - 🖾 <u>\$0</u> (Annually)

7. Prior Cost: \boxtimes <u>\$0.00</u> (Monthly) – and - \boxtimes <u>\$0.00</u> (Annually)

- 8. Termination Clause: Either party may immediately terminate this Agreement at any time upone written notice to the other party in the event the 340B services are revoked or in the event of insolvency or bankruptcy.
 - a. Term: <u>1 year</u>