

## PHARMACY & SUPPLY ORDERING

OPS.042

Approved By:	Chief Operations Officer	Adopted Date:	Unknown
Distribution:	All ODCHC Staff	Revision Date(s):	10/02, 8/04, 01/17/12

### PURPOSE:

The purpose of this policy is to outline ODCHC systems for selection, purchase, tracking and billing of pharmaceuticals and supplies furnished to patients.

### POLICY:

1. The ODCHC formulary is established by a Pharmacy Committee, consisting of representatives from throughout the ODCHC system. The Corporate Medical Officer and Operations Officer are responsible for approving all pharmaceuticals and supplies that are purchased by ODCHC for distribution to patients.
2. IPP/PAP medications, samples, crash cart supplies and medications or supplies that are utilized for procedures performed by ODCHC providers are not covered by this policy.
3. Only those pharmaceuticals and supplies approved by the CMO and COO will be routinely purchased for distribution to patients. Requests for items not on the approved formulary must be individually pre-authorized.
4. All pharmaceuticals and supplies that are purchased for distribution to patients will be tracked in the ODCHC computer system and be charged to the patient or 3<sup>rd</sup> party payor.
5. Fees for pharmaceuticals and supplies will be set using formulas designed to cover ODCHC costs, and will be reviewed regularly.

### PROCEDURE:

1. All requests for additions or changes to the formulary are made to the Pharmacy Committee.
2. Each approved formulary item covered by this policy is:
  - a. assigned an office code that is used for billing and tracking. The Billing Officer Manager is responsible for setting the office code.
  - b. assigned a price. The Clinical Operations Assistant is responsible for setting the fee.
  - c. shared with Purchasing for future orders. The Clinical Operations Assistant is responsible for communicating the new item to Purchasing.
  - d. entered into the current fee schedule within the practice management system. The Clinical Operations Assistant is responsible for communicating with the Service Area Administrator who maintains the fee schedule.
3. Requests for items that are not on the formulary should be routed to the Pharmacy Committee.
4. Prices for formulary items are set as follows:

Item Types	Formula
<ul style="list-style-type: none"><li>• Low cost (\$20 or less per item)</li><li>• High utilization (little chance of outdating)</li></ul>	Add \$5 to ODCHC cost and round up to nearest dollar.
<ul style="list-style-type: none"><li>• High cost (above \$20 per item)</li><li>• Low utilization (chance of outdating)</li><li>• High wastage (multi-dose vials with high wastage)</li></ul>	Add \$10 + 15% of item cost and round up to nearest dollar.

Approved:



Cheyenne Spetzler  
Chief Operations Officer