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The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2024-SS-6
Date: June 6, 2024

Subject:

Authorization to extend the existing agreement with Medisystem Pharmacy Limited for the Provision of Pharmacy Services for the Regional Municipality of Durham's four (4) Long-Term Care Homes

Recommendation:

That the Health and Social Services Committee recommends to Regional Council:

- A) That authorization be granted to award a single source extension to the existing Agreement with Medisystem Pharmacy Limited for the provision of pharmacy services for the Region's four Long-Term Care Homes for a period of one (1) year expiring on August 31, 2025, at no cost to the Region; and
 - B) That the Commissioner of Finance be authorized to execute any necessary agreement.
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Report:

1. Purpose

- 1.1 The purpose of this report is to provide details and seek approval to extend the existing standing agreement with Medisystem Pharmacy Limited (Medisystem) for a period of one (1) year for the Regional Municipality of Durham's (Region) four (4) Long-Term Care Homes (LTCH).

2. Background

- 2.1 The Region of Durham currently secures medication dispensary pharmacy services for the four LTCH from Medisystem. This Agreement was originally established in 2017 under RFP-536-2017 for a five (5) year term, further extended for one (2) year period in September 2022.

- 2.2 The pharmacy service provider shall provide the services as requested by the Physician or Registered Staff of the Region as defined by the Ontario Public Drug Benefit Program of the Ministry of Health, the Ontario College of Pharmacists and Section 139 of the Drug and Pharmacies Regulation Act.
- 2.3 Prescription drug costs associated with the pharmacy services shall be funded directly to the pharmacy provider by the Ontario government through the Policy for Pharmacy Payments under the Long-Term Care (LTC) Home Capitation Funding Model, 2020. For co-payments, dispensing fees or drugs not covered under this funding model, the pharmacy service provider will bill the resident(s) or designate(s) directly for these costs.
- 2.4 As part of the program of care for the residents, the pharmacy provider is required to take an active role with other professional staff in all matters related to pharmacy, in addition to providing basic pharmacy services. The scope of services provided by the pharmacy provider includes revision and reviews of pharmacy policies and procedures, the provision of specific clinical interventions, and to lead the medication quality audit program. The pharmacy provider must also integrate with and support the Region's resident electronic health record and more specifically, the electronic medication administration record and the electronic treatment administration record. Additionally, the pharmacy provider must supply and maintain related equipment including but not limited to medication and treatment carts, and automated medication dispensing cabinets.
- 2.5 Under the provincial LTC Capitation Funding Model, the pharmacy service providers are paid an annual fee-per-bed for all medication dispensing and professional pharmacy services. The initial fee-per-bed was \$1,500 in 2020 with a schedule for reductions until the annual fee-per-bed reached \$1,200. The scheduled reductions were put on hold due to the COVID-19 pandemic though the province had committed to the first reduction April 1, 2024, to \$1,400 however, this reduction was again put on hold for fiscal 2024-2025. While the repercussion of these reductions have not been realized yet, LTCHs need to consider these in the upcoming Request for Proposal (RFP).
- 2.6 Enhancements through Medication Safety Technology (MST) funding making fulsome use of the PointClickCare electronic health record have been implemented through 2022 and 2023. These include modules for integrated medication management and secured conversations between providers as transitions to allowing future electronic prescribing. These systems represent significant changes in the integration of pharmacy with frontline clinical practice in the LTCHs and the homes need time to review the implications of these changes to our management of the medication system.
- 2.7 Region staff have been working on the development of the RFP. However, a one (1) year extension is required to develop the scope of work and once the RFP is awarded, to allow LTCHs sufficient time to prepare and gather information in the

event of a change in service provider, to commence their services with no interruption to this essential service.

3. Financial Implications

- 3.1 Section 7.2 of the Region's Purchasing By-law 16-2020 permits the acquisition of goods and services through sole source negotiations under specific circumstances outlined in Appendix "C" of the By-law. Section 1.2 of Appendix "C" permits negotiations where additional deliveries by original supplier for goods/services not included in the original procurement if a change of supplier cannot be made due to interchangeability/interoperability with existing goods/services from initial procurement and would cause significant inconvenience or substantial duplication of costs.
- 3.2 Appendix "D" of the Purchasing By-Law #16-2020 requires the approval of Regional Council to award single/sole source procurements in excess of \$100,000. While there is no cost to the Region for the provision of pharmacy services to the LTC Homes, the value of the contract to the service provider for a period of twelve (12) months based on the LTC Home Capitation Funding Model is estimated at \$1,270,500.

4. Relationship to Strategic Plan

- 4.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal 5: Service Excellence – To provide exceptional value to Durham taxpayers through responsive, effective, fiscally sustainable service delivery.

5. Conclusion

- 5.1 It is recommended that authorization be granted to extend the existing Agreement to Medisystem Pharmacy Limited for the provision of pharmacy services for a period of one (1) year expiring August 31, 2025, for the Regional Municipality of Durham's four (4) Long-Term Care Homes to allow sufficient time to complete a competitive bid process and to transition to a new provider, if required, with no interruption of service to the residents of the homes.
- 5.2 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with these recommendations.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer