



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 72.17, **Purchasing of Pharmaceuticals**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to outline procedures to be followed in purchasing of pharmaceuticals for entities of Texas Tech University Health Sciences Center (TTUHSC), to provide for the overall least costly purchasing strategies, and to ensure appropriate control of the pharmaceutical products administered and dispensed to TTUHSC patients.

REVIEW: This HSC OP will be reviewed on June 15 of each odd-numbered year (ONY) by the Managing Director of Procurement, with recommendation for revisions forwarded to the Executive Vice President for Finance and Operations.

POLICY/PROCEDURE:

1. TTUHSC entities shall purchase pharmaceuticals through the HSC-contracted pharmaceutical wholesaler or a pharmacy designated or approved by the TTUHSC Pharmaceutical Purchasing Office.
2. The administration and operation of the TTUHSC Pharmaceutical Purchasing Office shall be delegated to the School of Pharmacy, which shall have the authority to add an administration charge of an HSC-approved amount for the cost of administering the program.
3. Purchases of pharmaceuticals from other than the HSC-contracted pharmaceutical wholesaler or designated pharmacy shall be routed through the Pharmaceutical Purchasing Program Office for prior review and approval. To qualify for approval, such purchases shall be limited to only those pharmaceuticals which:
 - a. Are approved by the US Food and Drug Administration for sale and use within the United States;
 - b. Are herbal supplements, nutraceuticals or other chemical substances for human use, which are not under the jurisdiction of the FDA for testing or manufacturing, and are used or administered for therapeutic purposes;
 - c. Are not available from the contracted pharmaceutical wholesaler or designated pharmacy;
 - d. Will result in a documented overall cost savings of greater than 10% (including all shipping and handling costs); or
 - e. Will result in an item acquisition cost (including all shipping and handling costs) above the Medicare, Medicaid or other third-party insurance reimbursement, when purchased from the contracted pharmaceutical wholesaler.
4. Pharmaceuticals which are required for unforeseen and immediate-need patient care purposes, with an insufficient time to procure them through the procedures outlined in paragraph 3 above, may be procured locally on an emergency basis, but shall be in only the quantity necessary to meet that particular patient care requirement.
5. Pharmaceuticals shall not be purchased under an individual TTUHSC practitioner's DEA and/or medical license. Exceptions to this policy shall be considered in situations such as: proper Class of Trade rostering with the vendor/distributor, purchase restrictions by the manufacturer that restrict retail pharmacy, or a TTUHSC entity must meet the vendor's requirements for Federal or State agency program participation. Each such situation shall be reviewed and referred to the Dean of the applicable TTUHSC School for consideration or approval on an individual basis.

6. Purchases of controlled substances shall be in accordance with [HSC OP 52.17](#) (Controlled Substances Policy), and [HSC OP 73.04](#) (Research Involving Controlled Substances and Laboratory Apparatus), as well as any other related Campus, School or Departmental policies.
7. Individual practitioners, or group of TTUHSC practitioners, shall not submit for purchase of pharmaceuticals in order to receive special credit, remuneration or recognition from the vendor.
8. Special pricing offered to individual practitioners, or groups of practitioners, shall be forwarded to the TTUHSC Office of Pharmaceutical Purchasing for confirmation, coordination and facilitation of this pricing offer, and to request the pharmaceutical manufacturer representative make this pricing available to all eligible TTUHSC entity practitioners.
9. This policy applies to institutionally purchased pharmaceuticals and does not apply to sample drugs provided to clinics or investigational drugs that are provided without charge to a practitioner pursuant to an Office of Sponsored Programs approved grant/contract with an IRB approved protocol.