

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|                      |                         |
|----------------------|-------------------------|
| TO<br><i>Quinton</i> | DATE<br><i>10-13-10</i> |
|----------------------|-------------------------|

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|--|---|--|---|
| <b>DIRECTOR'S USE ONLY</b>   |   | <b>ACTION REQUESTED</b>  |   |
| 1. LOG NUMBER<br><i>10,175</i>   | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____ | <input type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE _____ | <input type="checkbox"/> FOIA<br>DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR<br><i>Claud 10/14/10, letter is attached.</i> | <input checked="" type="checkbox"/> Necessary Action                                  |  |   |

| APPROVALS<br>(Only when prepared for director's signature) | APPROVE | * DISAPPROVE<br>(Note reason for disapproval and return to preparer.) | COMMENT |
|--|---------|---|---------|
| 1.   |         |   |         |
| 2.   |         |   |         |
| 3.   |         |   |         |
| 4.   |         |   |         |



1901 NORTH MAIN STREET  
ANDERSON, SOUTH CAROLINA 29621  
(864) 224-0711 (800) 256-6017  
[www.bryantRx.com](http://www.bryantRx.com)

Dear Ms. Forkner:

The DHHS has issued a solicitation (solicitation #5400002270) for Incontinence Supplies to supplied to recipient's of the state's Community Long Term Care and Department of Disabilities benefits. Currently, these supplies are provided through special authorization to one of the 240+ providers of this program.

Providers are currently paid a set amount for these supplies (diapers, protective underwear, liners, wipes and bed pads). Providers supply the product and the follow-up service (phone calls, correspondence with customers, etc. Do these work for you? What other types would you like?) to these recipients. The solicitation calls for an award of the state contract to the "lowest responsive bidder." Supposedly, the lowest bidder takes all. However, in the pre-bid conference, the procurement officer stated that the lowest bidder whom they feel can "handle" the job on a statewide basis.

First of all, this is hardly a case of drop shipping a product to someone's front porch and that being the end of it. It is extremely service intensive. Those providers like ourselves whom have worked with these community service-based waivers for years know that the elderly and disabled individuals are customers that need good service just like any other. Companies like us have been able to acquire and keep customers by providing prompt, reliable service and superior products (even when it meant shrinking margin) for the well-being of the customer and in the name of good business practices. Shouldn't the Free Market be allowed to work? If costs, need to be cut, so be it, but let the providers DECIDE if they can compete instead of dictating that they cannot.

The DHHS wants to hand over all of this to one provider that will not have the client's well-being in mind. Rather, the "winner" will have had to provide the lowest possible price on the least costly "approved" products to the consumers. Even a service minded company will be forced to provide sub-par products to the customers. We will move from a Free Market solution (let the providers who do good business be the ones who earn the customers) to a monopolization of the system in which the only incentive for a provider to take care of customers is to avoid fines and penalties from the government.

As it stands, all but one of the 240+ companies will lose out. If an out-of-state company wins the bid that doesn't currently participate, ALL of the 240+ providers will be forced out. There will be jobs lost, plain and simple. Is this the way to cut costs? Don't we want to put South Carolinians BACK to work and not OUT of work? We would rather have providers competing for the business than even to win the entire state. We believe that the Free Market CAN work, even at lower reimbursement and allow those who do good and smart business to survive instead of being forced out by our State Government. There will be less than three months to have passed by the time these businesses were notified (early August) until the program is active (November 1, 2010). That's a very rude storm for any small business to have to weather. We urge you to overturn the solicitation mandate in the name of preservation of South Carolina small businesses.

Sincerely,

Giles Canter, Bryant Pharmacy & Supply

**RECEIVED**

OCT 12 2010

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

CC: Mr. Scott English, Chief of Staff, Office of the Governor



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✓ to close

*State of South Carolina*  
*Department of Health and Human Services*

Mark Sanford  
Governor

Emma Forkner  
Director

October 14, 2010

Mr. Giles Canter  
Bryant Pharmacy & Supply  
1901 North Main Street  
Anderson, SC 29621

Dear Mr. Canter:

We are in receipt of your letter regarding solicitation #5400002270 for incontinence supplies. As you are aware, the solicitation has been issued. Since this is a competitive bid process, SCDHHS is unable to discuss any matters regarding the solicitation. Any conversation with perspective bidders could disqualify an entity from submitting a bid in response to this solicitation. By copy of this letter, I am forwarding your letter to Theresa Watts, the Procurement Buyer at the Materials Management Office, who is in charge of this procurement. Please direct all future communications regarding this solicitation to Ms. Watts at (803) 737-0600.

Thank you for interest in this solicitation and your continued support of the Medicaid program.

Sincerely,

A handwritten signature in cursive script that reads "Emma Forkner".

Emma Forkner  
Director

EF: jp

c: Theresa Watts