



**John R. Kasich**, Governor  
**Tracy J. Plouck**, Director

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## State to save millions in pharmaceutical costs

**(Columbus)** The Ohio Department of Administrative Services (DAS) and the Ohio Department of Mental Health (ODMH) today announced a new plan to purchase pharmaceuticals for state entities, saving taxpayers an estimated \$4.4 million in the first year and \$16.7 million over the life of the contract.

After a competitive selection process, a three-year contract, renewable annually for an additional five years, was awarded to H.D. Smith Wholesale Drug Company. Beginning today, the company will serve as a single vendor for Ohio's Pharmacy Service Center (OPSC), the state's distribution facility managed by ODMH that purchases pharmaceuticals dispensed in Ohio's psychiatric hospitals, prisons, youth service and community mental health facilities.

"Having one supplier on a single contract, instead of multiple contracts with multiple suppliers, will allow OPSC to take advantage of the maximum available discounts," said ODMH Director Tracy Plouck. "It also will allow us to maintain less inventory and turn products over more quickly because the products needed will be stocked by the wholesaler with deliveries to us made daily. This is an opportunity for substantial savings to our own agency, those we help to supply, and ultimately, the taxpayers."

According to Randy Cole, Controlling Board president and policy advisor at Ohio's Office of Budget and Management, "This is one more example of collaboration across agencies that results in increased efficiency and better value for the taxpayer. Our state institutions may serve multiple community needs, but when they unite as a single buyer, they can be a powerful customer."

OPSC currently purchases more than \$40 million of pharmaceuticals annually. As part of ODMH's Office of Support Services, the center buys and distributes pharmaceuticals, as well as laboratory supplies, over-the-counter products and personal care items, for delivery to state, county, local and non-profit facilities.

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### Establishing mental health as a cornerstone of overall health

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