



Board Report

File #: A 22-438, Version: 1

- a. Authorize the Director of Health, or Assistant Director of Health to execute Amendment No. 4 to Apexus 340B Prime Vendor Program Participation Agreement (“Letter of Participation”) with Cardinal Health 110, LLC. and Cardinal Health 112, LLC. (Cardinal) to extend the term one (1) additional year with the option to extend, based on ninety (90) days’ written notice, for one (1) additional three (3) year period, for a total not to exceed maximum of four (4) years for the purchase of discounted outpatient pharmaceuticals; and
- b. Authorize the Director of Health or Assistant Director of Health to sign up to two (2) future amendments to this Letter of Participation where the amendments do not extend the term of the Letter of Participation and do not significantly change the scope of work; and
- c. Authorize the Director of Health or Assistant Director of Health to exercise the option to extend, based on ninety (90) days’ written notice, which, if exercised, shall extend the term for one (1) additional three (3) year period, for a revised full term of July 1, 2018, to August 31, 2026.

RECOMMENDATION:

- a. Authorize the Director of Health, or Assistant Director of Health to execute Amendment No. 4 to Apexus 340B Prime Vendor Program Participation Agreement (“Letter of Participation”) with Cardinal Health 110, LLC. and Cardinal Health 112, LLC. (Cardinal) to extend the term one (1) additional year with the option to extend, based on ninety (90) days’ written notice, for one (1) additional three (3) year period, for a total not to exceed maximum of four (4) years for the purchase of discounted outpatient pharmaceuticals; and
- b. Authorize the Director of Health or Assistant Director of Health to sign up to two (2) future amendments to this Letter of Participation where the amendments do not extend the term of the Letter of Participation and do not significantly change the scope of work; and
- c. Authorize the Director of Health or Assistant Director of Health to exercise the option to extend, based on ninety (90) days’ written notice, which, if exercised, shall extend the term for one (1) additional three (3) year period, for a revised full term of July 1, 2018, to August 31, 2026.

SUMMARY/DISCUSSION:

The Health Department Clinic Services Bureau (Clinic Services) operates ten community clinic sites designated as Federally Qualified Health Centers (FQHCs) which provide preventive, primary, and specialty medical care services Pursuant to Section 340B of the Public Health Services Act, the United States Congress established the 340B Drug Pricing Program requiring pharmaceutical manufacturers participating in the Medicaid program to enter into agreements with Health Resources and Services Administration (HRSA) to provide discounts on covered outpatient drugs to certain government-supported health care providers. Apexus is the authorized prime vendor for the 340B Prime Vendor Program (PVP) which allows covered entities, such as Clinic Services, enrolled in the PVP, to purchase products through supplier and distributor agreements under Apexus’ network of suppliers and distributors.

Cardinal is part of Apexus’ network of suppliers and distributors and has contracted with Clinic Services since June 2011, when the Board of Supervisors first approved Agreement Nos. A-12009 and A-12010 to provide Clinic Services’ access to 340B discounted drugs. The Board of Supervisors approved a new Letter of Participation with Cardinal (Agreement No. A 14005) on June 26, 2018. Agreement A-14005 was amended on January 1, 2020 to update 340B ID numbers in scope, on April 1, 2020 to add the NIDO clinic to scope, and on July 1, 2021 to extend the term to August 31, 2022.

Approval of Amendment No. 4 will provide Clinic Services with continued access to Cardinal’s discounted drug prices without interruption and allow Clinic Services’ resources to be stretched further by providing more care and services to vulnerable patients with the savings from these discounted drugs.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan Goals: 1. Empower the community to improve health; and 2. Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one or more of the ten essential public health services, specifically: 4. Mobilize community partnerships and action to identify and solve health problems; and 7. Link people to needed personal health services and assure the provision of health care when otherwise

unavailable.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and Auditor-Controller have reviewed and approved the Letter of Participation as to form and financial terms.

FINANCING:

Sufficient funds are available in the FY 2022-2023 Adopted Budget for Clinic Services Bureau, Health Department (4000-HEA007). This Agreement is funded by revenues generated from Medi-Cal and Medicare. There is no financial impact to the General Fund resulting from approval of this Agreement.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☐Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☐Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Prisca Segovia, Management Analyst II, 755-4939

Approved by:

Date: _____

Elsa Mendoza Jimenez, Director of Health, 755-4526

Attachments:

Amendment No. 4

Amendment No. 3

Amendment No. 2

Amendment No. 1

340B Prime Vendor Participation Agreement