



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: A 22-633**

**December 13, 2022**

**Introduced:** 12/6/2022

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Authorize the Director of Health, or Assistant Director of Health to execute a 340B Pharmacy Services Agreement (“Agreement”) with PMQ Group, LLC dba Avita (“Avita”) allowing Avita to provide third-party administrative services in support of Clinic Services’ 340B Program and specialty contract pharmacy services to eligible patients of Monterey County Health Department Clinic Services Bureau (“Clinic Services”) for an initial term of three (3) years beginning January 1, 2023, and which auto renews for additional one (1) year periods unless earlier terminated; and
- b. Approve the non-standard risk provision (lack of indemnification) in the Agreement, as recommended by the Director of Health; and
- c. Authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not significantly change the scope of work.

**RECOMMENDATION:**

It is recommended that the Board:

- a. Authorize the Director of Health, or Assistant Director of Health to execute a 340B Pharmacy Services Agreement (“Agreement”) with PMQ Group, LLC dba Avita (“Avita”) allowing Avita to provide third-party administrative services in support of Clinic Services’ 340B Program and specialty contract pharmacy services to eligible patients of Monterey County Health Department Clinic Services Bureau (“Clinic Services”) for an initial term of three (3) years beginning January 1, 2023, and which auto renews for additional one (1) year periods unless earlier terminated; and
- b. Approve the non-standard risk provision (lack of indemnification) in the Agreement, as recommended by the Director of Health; and
- c. Authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not significantly change the scope of work.

**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.

Section 340B of the Public Health Services Act authorizes FQHC’s to purchase eligible drugs at reduced rates for distribution to eligible patients and Clinic Services depends on contract pharmacies to dispense the discounted prescription drugs to patients on behalf of Clinic Services, in compliance with federal program guidelines.

Avita is a national health care services organization that provides 340B program administrator and specialty contract pharmacy services including medication delivery, online refills, prescription claims tracking and web-based reporting. Avita has deep expertise in supporting 340B Programs with intersecting grant types, including Ryan White and 330 Grantees and has been providing specialty pharmacy services to HIV patients of the Clinic Services' NIDO clinic since it took over the Garden Grove Pharmacy that was previously serving NIDO's HIV patients.

Approval of this Agreement will allow Clinic Services' to further expand access to discounted prescription drugs for Clinic Services' patients being treated for HIV or other infectious diseases by adding two (2) specialty pharmacies in Brea, CA and Mission Viejo, CA. The specialty pharmacies will dispense discounted 340B prescription drugs to eligible patients, on behalf of Clinic Services via mail-delivery, and increase Clinic Services' overall 340B discounted drug savings. The auto-renewal provision assists in patient health, by ensuring there will be no interruption in dispensing of prescription drugs to eligible patients once the 340B program is implemented for these pharmacies.

The Department requests the Board accept the Director of Health's recommendation to approve the agreement without an indemnification provision. Avita has agreed to the County's insurance requirements.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan Initiatives: 1.) Empower the community to improve health. 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 County Counsel has approved this Agreement as to form. Due to late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy, or other implications to the County of Monterey.

FINANCING:

Sufficient appropriations are available in the FY 2022-2023 Health Department Clinic Services Adopted Budget (001-4000-HEA007) to cover costs of this agreement. This Agreement will be funded using revenue generated from Clinic Services' 340B program and 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:


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- 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:

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Date: 12/7/2022 | 8:22 PM PST

Elsa Mendoza Jimenez, Director of Health, 755-4526

Attachments:  
Board Report  
Agreement