



Monterey County

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Board Report

Legistar File Number: A 18-453

December 04, 2018

Introduced: 11/14/2018

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Authorize the Director of Health, or Assistant Director of Health to sign a Group Purchasing Organization Participation Agreement ("GPO Agreement") with PracticeWell Pro Inc., dba PracticeWell PBG PediaFed ("PracticeWell") for the purchase of discounted outpatient pharmaceuticals and medical supplies for the County of Monterey Health Department's Federally-Qualified Health Center Look-alike clinics, effective upon execution by both parties and continuing until terminated; and
- b. Accept the recommendations of the Director of Health or Assistant Director of Health regarding the following non-standard provisions in the GPO Agreement: indemnification, insurance, disclaimer and release; and
- c. Authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this GPO Agreement where the amendments do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Director of Health, or Assistant Director of Health to sign a Group Purchasing Organization Participation Agreement ("GPO Agreement") with PracticeWell Pro Inc., dba PracticeWell PBG PediaFed ("PracticeWell") for the purchase of discounted outpatient pharmaceuticals and medical supplies for the County of Monterey Health Department's Federally-Qualified Health Center Look-alike clinics, effective upon execution by both parties and continuing until terminated; and
- b. Accept the recommendations of the Director of Health or Assistant Director of Health regarding the following non-standard provisions in the GPO Agreement: indemnification, insurance, disclaimer and release; and
- c. Authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this GPO Agreement where the amendments do not significantly change the scope of work.

SUMMARY/DISCUSSION:

The Health Department Clinic Services Bureau (Clinic Services) operates nine community clinic sites designated as Federally Qualified Health Center Look-Alikes (FQHC-LA), which provide preventative, primary, and specialty medical care services.

Clinic Services entered into a contract with Pediatric Federation, LLC, (PediaFed) in August 2013 for access to no cost, discounted pharmaceutical purchasing programs, while benefiting from quarterly rebates generated from members' savings based on purchasing volume. In 2017, Pediatric Federation

changed its name to PracticeWell and reincorporated as a benefit organization due to a growing network of practitioners of all disciplines. While Clinic Services has received continued access to the discounted drug purchasing programs previously available under PediaFed, a new contract is required under PracticeWell's name as the new payor of the savings rebates.

While PracticeWell is not a 340B Prime Vendor, it provides competitive drug prices which in many cases are below the 340B price for the same drug. The savings achieved with PracticeWell's purchasing programs allow Clinic Services' resources to be stretched further in providing more care and services to patients.

Approval of this GPO Agreement will ensure Clinic Services maintains uninterrupted access to continued savings on discounted drug and medical supply purchasing options, while reinstating the rebate payments from PracticeWell on drug purchases.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan initiative(s):

1) Empower the community to improve health. It also supports the following of the ten essential public health services, specifically: 4) Mobilize community partnerships and action to identify and solve health problems.

OTHER AGENCY INVOLVEMENT:

County Counsel-Risk Management and the Auditor-Controller have reviewed the GPO Agreement as to form.

FINANCING:

Sufficient appropriations are available in the FY 2018-19 Health Department Clinic Services Adopted Budget (4000-HEA007). The GPO Agreement will ensure Clinic Services continued savings on medication costs and will reinstate approximately \$23,000 in rebate payments, which have accumulated since the name change. The GPO Agreement does not have negative financial impact on Clinic Services' Adopted Budget. In addition, 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.

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Attachment:

PracticeWell GPO Agreement is on file with Clerk of the Board