



County of Monterey

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

Board Report

File #: A 15-092, **Version:** 1

- a. Authorize the Contracts/Purchasing Officer to execute 340B Prime Vendor Program, Participant Agreement with Cardinal Health 110, LLC and Cardinal Health 411, Inc. (“Cardinal”) for the purchase of discounted outpatient pharmaceuticals for the Monterey County Health Department, for an amount not to exceed \$30,000, in the period of April 28, 2015 through August 31, 2018; and
- b. Authorize the Contracts/Purchasing Officer to execute Apexus LLC, 340B Prime Vendor Participation Agreement (“Apexus”), for the period April 28, 2015 through April 30, 2016, and which shall automatically renew for additional one year terms, unless terminated earlier upon ninety days’ written notice.
- c. Accept the non-standard contract provisions in the Cardinal and Apexus Agreements as recommended by the Director of Health; and
- d. Authorize the Contracts Purchasing Officer to approve up to three future amendments to the Cardinal Health 110, LLC and Cardinal Health 411, Inc. Agreement where the amendments do not exceed 10% of the annual amount and do not significantly change the scope of services.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Contracts/Purchasing Officer to execute 340B Prime Vendor Program, Participant Agreement with Cardinal Health 110, LLC and Cardinal Health 411, Inc. (“Cardinal”) for the purchase of discounted outpatient pharmaceuticals for the Monterey County Health Department, for the period of April 28, 2015 through August 31, 2018; and
- b. Authorize the Contracts/Purchasing Officer to execute Apexus LLC, 340B Prime Vendor Participation Agreement (“Apexus”), for the period April 28, 2015 through April 30, 2016, and which shall automatically renew for additional one year terms, unless terminated earlier upon ninety days’ written notice.
- c. Accept the non-standard contract provisions in the Cardinal and Apexus Agreements as recommended by the Director of Health; and
- d. Authorize the Contracts Purchasing Officer to approve up to three future amendments to the Cardinal Health 110, LLC and Cardinal Health 411, Inc. Agreement where the amendments do not significantly change the scope of services.

SUMMARY/DISCUSSION:

On June 21, 2011, the Board of Supervisors approved Agreement Nos. A-12009 and A-12010 with Cardinal, enabling the Monterey County Health Department (MCHD) Federally Qualified Health Center (FQHC) Look-alike Clinics, pursuant to Section 340B of the Federal Public Health Services Act, to purchase outpatient drugs for eligible patients at discounted rates from drug manufacturers that enter into drug purchasing agreements with the United States Health Resource and Services Administration (“HRSA”).

MCHD’s Public Health Bureau desires to enter into an Agreement with Cardinal to purchase 340B pharmaceuticals for the Tuberculosis and Sexually Transmitted Disease Units. The Units are not within the FQHC clinics; therefore a separate Agreement must be established for purchases of these 340B pharmaceuticals.

Cardinal is the distribution company for Apexus. Apexus is the HRSA approved 340B federal prime vendor that manages the 340B Prime Vendor Program (PVP). The Program currently provides sub-340B prices on over

2,800 drug products. In order to qualify for the discount, MCHD must enroll in the 340B PVP through an Agreement with Apexus.

The Cardinale Agreement has a start date of April 28, 2015 and the Apexus Agreement has a start date of April 21, 2015, because it was intended that this item would be placed on the April 27, 2015 board agenda. MCHD has not made any purchases and will not make purchases until these Agreements are approved by the BOS.

This work supports the MCHD 2011-2015 Strategic Plan Initiative; empower the community to improve health through programs, policies, and activities; and enhance community health and safety by emphasizing prevention. It also supports several of the essential public health services: mobilize community partnerships and action to identify and solve health problems; link people to needed personal health services and assure the provision of health care when otherwise unavailable; and assure competent public and personal health care workforce.

OTHER AGENCY INVOLVEMENT:

County Counsel, Risk Management and the Auditor-Controller have reviewed these Agreements as to legal form, liability and fiscal provisions respectively. The Agreements utilize non-standard insurance and indemnification provisions; these provisions are non-negotiable with Cardinale and Apexus. In addition the Cardinal Agreement includes a Limitation of Liability, which holds Cardinal harmless for incidental, consequential or punitive damages. As a result, County Counsel has approved the Agreements as to form, but not as to liability. Risk Management has not approved the Agreements. The Agreements are on file with the Clerk to the Board.

FINANCING:

The Agreement with Apexus is for the purpose of obtaining additional discounts to outpatient pharmaceutical products. Apexus receives a portion of the purchase price for the pharmaceuticals covered in the 340B PVP. For the Agreement with Cardinal, there are sufficient appropriations included in the Health Department's (HEA003-8124) Requested Budget for Fiscal Year 2015-16.

Prepared by: Kathy Robinson, MAII, 1286

Approved by: Ray Bullick, Director of Health, 4526

Attachment(s):

Agreements are on file with the Clerk of the Board