



Board Report

File #: A 19-351, **Version:** 1

- a. Authorize the Director of Health, or Assistant Director of Health to execute a Pharmacy Services Agreement (“Agreement”) with CVS Pharmacy, Inc. (“CVS”) allowing CVS to manage and dispense 340B discounted drugs to eligible Monterey County Health Department Clinic Services Bureau (“Clinic Services”) patients for a term beginning January 1, 2020 to December 31, 2022, and which shall auto renew thereafter until terminated; and
- b. Approve the recommendations of the Director of Health or Assistant Director of Health to accept the non-standard risk provisions (insurance, removal of subcontractors, indemnification and limitation of liability) in the Agreement; 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 of Supervisors:

- a. Authorize the Director of Health, or Assistant Director of Health to execute a Pharmacy Services Agreement (“Agreement”) with CVS Pharmacy, Inc. (“CVS”) allowing CVS to manage and dispense 340B discounted drugs to eligible Monterey County Health Department Clinic Services Bureau (“Clinic Services”) patients for a term beginning January 1, 2020 to December 31, 2022 and which shall auto renew thereafter until terminated; and
- b. Approve the recommendations of the Director of Health or Assistant Director of Health to accept the non-standard risk provisions (insurance, removal of subcontractors, indemnification and limitation of liability) in the Agreement; 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 nine community clinic sites designated as Federally Qualified Health Center Look-Alikes (FQHC-LA), which provide preventative, primary, and specialty medical care services.

Section 340B of the Public Health Services Act mandates that pharmaceutical manufacturers participating in the Medicaid program enter into agreements with Health Resources and Services Administration (HRSA) to provide discounts on covered outpatient drugs to eligible government-supported health care providers, such as Clinic Services.

As a 340B-eligible entity, contract pharmacies dispense discounted prescription drugs to patients on behalf of Clinic Services, while Clinic Services maintains overall responsibility for compliance of the 340B program.

This Pharmacy Services Agreement (Agreement) will expand access to Clinic Services’ 340B program by adding nine (9) CVS retail pharmacies in Salinas, Monterey, Marina and Sand City that will dispense discounted 340B prescription drugs to Clinic Services’ patients on behalf of Clinic Services. The savings achieved by partnering with this large chain pharmacy on the discounted drug program will allow Clinic Services’ resources to be stretched further in providing more care and services to the County’s most vulnerable patients.

CVS accepted the County standard insurance limits, however modified references of subcontractors to references of independent Retail pharmacies. Clinic Services recommends moving forward with the modifications.

Approval of this Agreement will increase access to discounted 340B prescription drugs for Clinic Services patients with the addition of nine (9) CVS retail pharmacies in Salinas, Monterey, Marina and Sand City, while allowing Clinic Services to stretch scarce resources further with the cost savings. Clinic Services currently has an existing 340B Pharmacy Services Agreement with Walgreens, Inc. to dispense 340B discounted drugs to patients which will not be affected by this Agreement.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan Initiatives: 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:

County Counsel-Risk Management and Auditor-Controller have reviewed and approved this Agreement as to legal form and fiscal provisions respectively.

FINANCING:

Clinic Services currently has an Agreement with a 340B contract pharmacy, which has been generating revenue of \$450,000 or more annually since its inception. This Agreement is also expected to result in a similar amount of revenue.

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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Approved by: Elsa Jimenez, Director of Health, x4526

Attachment:

Pharmacy Services Agreement is on file with Clerk of the Board