



## Board Report

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**File #:** A 19-516, **Version:** 1

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- a. Authorize the Director of Health, or Assistant Director of Health to execute a 340B Administrative Services Agreement (“Agreement”) with Wellpartner, LLC., (“Wellpartner”) allowing Wellpartner to provide administrative services for eligible 340B contract pharmacy locations designated by Monterey County Health Department’s Clinic Services Bureau (“Clinic Services”) for a term beginning on the date the Agreement is fully executed by both parties through an initial term of three (3) years, and which shall auto renew for one (1) year periods until terminated; and
- b. Approve the non-standard provisions (non-disclosure, insurance, indemnification, limitation of liability, limitation of damages) 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 of Supervisors:

- a. Authorize the Director of Health, or Assistant Director of Health to execute a 340B Administrative Services Agreement (“Agreement”) with Wellpartner, LLC., (“Wellpartner”) allowing Wellpartner to provide administrative services for eligible 340B contract pharmacy locations designated by Monterey County Health Department’s Clinic Services Bureau (“Clinic Services”) for a term beginning on the date the Agreement is fully executed by both parties through an initial term of three (3) years, and which shall auto renew for one (1) year periods until terminated; and
- b. Approve the non-standard provisions (non-disclosure, insurance, indemnification, limitation of liability, limitation of damages) 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 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 entities.

As a 340B-eligible entity, Clinic Services depends on contract pharmacies such as Walgreens, Inc. and CVS Pharmacy, Inc., to dispense discounted prescription drugs to patients on behalf of Clinic Services, while Clinic Services maintains overall responsibility for compliance of the 340B program.

Wellpartner is a CVS Health-owned company, specializing in providing contract pharmacy administration support services, including pharmacy relations services, prescription claims tracking, reporting and audit support. These services will assist Clinic Services in managing and maintaining federal and state compliance with its 340B discounted drug program, while further allowing Clinic Services to focus on providing care and services to patients.

Wellpartner accepted the County standard insurance limits, however modified references to subcontractor coverages. Clinic Services recommends moving forward with the modifications.

Approval of this Agreement will allow Wellpartner to act as a third-party administrator for Clinic Services in the management of Clinic Services’ contract pharmacy agreement with CVS, Inc., which was approved by the Board of Supervisors on October 1, 2019.

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:

The Office of County Counsel has reviewed and approved the Agreement as to form.

FINANCING:

Sufficient appropriations are available in the FY 2019-20 Health Department Clinic Services Adopted Budget (4000-HEA007). Clinic Services currently has an agreement with a 340B contract pharmacy, which has been generating annual revenue of \$450,000 or more 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:

340B Administrative Services Agreement is on file with Clerk of the Board