



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: May 16, 2017
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Alice Gleghorn, PhD, Director
Director(s) Department of Behavioral Wellness, 681-5220
Contact Info: Dr. Ole Behrendtsen, Medical Director, 681-5220

SUBJECT: Behavioral Wellness - First Amendment to FY 15-18 Hometown Pharmacy Contract

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A) Approve and authorize the Chair to execute a First Amendment to the Agreement for Services of Independent Contractor with **Hometown LTC Pharmacy, Inc.** (a local vendor) to revise the Statement of Work and to increase the FY 16-17 contract by \$200,000, for a total multiyear contract maximum not to exceed **\$750,000** through June 30, 2018.
- B) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guidelines Section 15378(b)(5) since the recommended actions are government administrative activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

The Department of Behavioral Wellness, utilizes of local Pharmacy vendors to provide both inpatient and outpatient Pharmaceutical Services to treat clients who do not qualify for Medical or have no insurance or other means of payment for medication. Contracts with various local and non-local Pharmacy vendors are key to ensuring that clients have access to necessary care and that the needs of the client are optimally met.

Approval of the recommended actions will allow Behavioral Wellness to access more efficient delivery of pharmaceutical services by enhancing the language of the Hometown contract in compliance with the

Center for Medicare and Medicaid Services (CMS) regulations; to meet the needs for additional medications to treat clients at both the Behavioral Wellness Crisis Stabilization Unit and Psychiatric Health Facility; and to provide for uninterrupted services.

Background:

Since 1998, the Department of Behavioral Wellness has utilized a variety of local and non-local Pharmacy vendors to provide pharmaceuticals for the Psychiatric Health Facility and the Outpatient Waiver program to dispense medication for psychiatric stabilization and treatment of clients, who do not qualify for Medi-Cal, have no insurance or other means of payment for medication, or for prescriptions that are not covered by other payor sources, to ensure clients have access to necessary care. The opening of the new 24/7 Crisis Stabilization Unit has also resulted in the need for additional pharmacy services.

The Pharmacy Request for Proposal (RFP) process, concluded in January 2016, allowed the Department to conduct a search for a Pharmacy vendor who could provide a more comprehensive, cohesive and efficient delivery for all Department of Behavioral Wellness pharmacy needs. The RFP concluded with Hometown Pharmacy being awarded the multiyear contract for two years, to provide outpatient medication for the Crisis Stabilization Unit, the Outpatient Pharmacy Waiver Program for the mid- and north-county areas, the and inpatient and discharge medications for PHF patients.

Recent review and Center for Medicare and Medicaid Services guidance required some changes to enhance the contract language for compliance with federal and state regulations. Although medication prices are based on the Medi-Cal or the Average Wholesale Prices, the cost of the medication fluctuates daily and the need for medications has risen.

Fiscal and Facilities Impacts:

Budgeted: Yes, the increase was budgeted for FY 16-17 and will be funded through Medi-Cal reimbursement.

Fiscal Analysis:

	<u>Current FY 15-16</u>		<u>Current FY 16-17</u>		<u>Current FY 17-18</u>	
<u>Funding Sources</u>	<u>Cost:</u>		<u>Cost:</u>		<u>Cost:</u>	
General Fund	\$	-	\$	-	\$	-
State	\$	3,000.00	\$	236,000.00	\$	136,000.00
Federal	\$	3,000.00	\$	236,000.00	\$	136,000.00
Fees	\$	-	\$	-	\$	-
Other:						
Total	\$	6,000.00	\$	472,000.00	\$	272,000.00

Narrative: The funding sources are included in the FY 2015-2016 and FY 2016-2017 Budgets and in the FY 17-18 proposed budget and will be funded through Medi-Cal reimbursement.

Performance Measures:

Since starting contract services as of March 2016, Hometown has successfully delivered consistent pharmacy services to the Psychiatric Health Facility and Crisis Stabilization Unit. Hometown has also successfully provided Outpatient Waiver Pharmacy services to the Department of Behavioral Wellness North and West County outpatient clients where Hometown provides outpatient clients prescription medication upon presentation of a valid Behavioral Wellness pharmaceutical waiver from the Behavioral Wellness clinics.

Key Contract Risks:

There is a risk that the services provided by the above vendor falls short of Federal and State standards, resulting in audit findings at the PHF. To address this risk, the contract includes provisions requiring the vendor to maintain compliance with Federal and State standards. In addition, the termination provision of the contract allows the County to terminate the contract for cause.

Special Instructions:

Please return one (1) Minute Order and one (1) a copy of the signature page of the contract to:
dmorales@co.santa-barbara.ca.us.

Attachments:

Attachment A: Hometown FY 15-18 BC AM 1

Attachment B: Hometown FY 15-18 BC

Authored by:

DMorales/QLopez

cc: