



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: ADMHS
Department No.: 043
For Agenda Of: 7-8-14
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Interim Director
Director(s) Alcohol, Drug and Mental Health Services, 681-5220
Contact Info: Michael Evans, CFO/Assistant Director of Finance, 681-5220
SUBJECT: ADMHS FY 14-15 Contract - PharMerica

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- 1) Approve and authorize the Chair to execute a First Amendment to the Agreement for Services of Independent Contractor with **PharMerica** (not a local vendor), for the provision of pharmaceutical services for the Psychiatric Health Facility, for a total contract amount not to exceed **\$494,000** for the period of July 1, 2014 through June 30, 2015.
- 2) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

Summary Text:

The Alcohol, Drug and Mental Health Services (ADMHS) Department provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part through contracted providers. Approval of the recommended actions will allow ADMHS to continue to provide mandated mental health, substance use, and ancillary services.

Background:

ADMHS contracts with pharmacy vendors to provide medication for clients at the Psychiatric Health Facility, pharmaceutical consulting, and to provide psychiatric medications for outpatient clients without a third party payor. **PharMerica Corporation** (PharMerica) provides pharmaceuticals for clients at the Psychiatric Health Facility (PHF) and the County reimburses for all patients, including Medicare and Medi-Cal beneficiaries and uninsured clients. Medication administration is necessary to help clients achieve and maintain stability and to alleviate the symptoms of mental illness. Over the past two years, ADMHS has been working with PharMerica to help improve billing processes for discharge medications, ensuring that ADMHS is not billed for medications which could have otherwise been billed to private insurance or Medi-Cal. From time to time, ADMHS has withheld partial payments pending receipt of appropriate supporting documentation. ADMHS will continue to work with PharMerica to improve these processes over the next few months.

Key Contract Risks:

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

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 247,000.00		
Federal	\$ 247,000.00		
Fees			
Other:			
Total	\$ 494,000.00	\$ -	\$ -

Narrative:

The above referenced contract and amendment are funded by State and Federal funds. The funding sources are included in the FY 2014-15 Adopted Budget. Execution of these agreements will not increase the use of general fund dollars by ADMHS.

Special Instructions:

Please send one (1) complete copy of the amendment and one (1) minute order to:

Alcohol, Drug and Mental Health Services
 Attn: Contracts
 300 North San Antonio Road, Bldg 3
 Santa Barbara, CA 93110

Attachments: PharMerica Amendment and original executed contract