



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: Public Health
Department No.: 041
For Agenda Of: October 17, 2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Van Do-Reynoso, Director
Director(s) Public Health Department
Contact Info: Dana Gamble, Assistant Deputy Director. Ext. 5171
SUBJECT: Sixth Amendment to the SUNRx 340B Prescription Drug Administrative Services Agreement

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 consider the following:

- a) Approve, ratify and authorize the Chair to execute the Sixth Amendment (Attachment A) to the SUNRx Prescription Drug Administrative Services Agreement for the ongoing development and administration of a 340B Pharmacy Network administered by the Public Health Department. This amendment enables the Public Health Department to continue with Safeway as a 340B Contract Pharmacy, and to allow and account for the direct relationship with Safeway and to further clarify the obligations of SUNRx in this regard.
- b) Determine that execution of this Sixth Amendment is not a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because the action is an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item is on the agenda to ratify a Sixth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services (Attachment A), effective October 1, 2017. This Sixth Amendment is to amend the contract requirements to enable Safeway 340B Direct to contract with ProviderPay for inventory and accounting standardization for its 340B contract pharmacies and to further amend the obligations of the agreement and to provide for the exceptions with Safeway as a 340B pharmacy relative to the Safeway 340B Direct services which are separate from the SunRx administered services.

Background:

Because of its Federally Qualified Health Center (FQHC) status, the Public Health Department (PHD) has the ability to participate in the Federal Section 340B Drug Discount program as a “covered entity.” As a covered entity, PHD is able to purchase certain drugs at the lowest market price made available in order to provide access to affordable medications for its patients. This discount can be extended to retail pharmacies under a contractual relationship. Currently PHD has several 340B agreements with retail pharmacies to participate in a network. This network is managed through a 340B Administrative Services agreement that PHD has with SUNRx.

The Board of Supervisors executed on May 17, 2016 an Agreement with Safeway 340B Direct for 340B Pharmacy Services for the partial administration of the Public Health Department 340B Pharmacy Network (Attachment G). The 340B Direct Network administration includes pharmacies at Vons and Albertsons locations in Santa Barbara County. This amendment is needed to accept 340B Direct’s request to contract with ProviderPay for inventory and accounting standardization for its 340B contract pharmacies.

Performance Measure:

No performance measures are currently associated with the 340B Contract Pharmacy Network. However, an extensive system of 340B claims adjudication, monitoring and auditing of 340B claims has been put into place to ensure capture of appropriate 340B claims and associated drug manufacturer discounts while concurrently ensuring compliance with complex 340B regulations.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

There are no fiscal impacts associated with the SUNRx Administrative Services amendment. There is no fiscal impact associated with this action. Because this action only involves the change of the vendor of 340B Direct’s inventory and accounting standardization for its 340B contract pharmacies.

Key Contract Risks:

N/A

Staffing Impacts:

Legal Positions:

0

FTEs:

0

There are no staffing impacts.

Special Instructions:

Please execute two (2) original Sixth Amendments to the SUNRx Agreement, and retain one (1) original of the Sixth Amendment and one (1) Minute Order for pick up by the department. Please email the PHD Contracts Unit at phdcu@sbcphd.org when available for pick up.

Attachments:

- A. Sixth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- B. Fifth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- C. Fourth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services

- D. Third Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- E. Second Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- F. First Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- G. Agreement SUNRx for Prescription Drug Administrative Services

Authored by:

Dana Gamble, Assistant Deputy Director, Public Health Department