



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: July 7, 2020
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Van Do-Reynoso, MPH, PhD
Director(s) Public Health Department
Contact Info: Dana Gamble, Assistant Deputy Director, 681-5171
SUBJECT: First Amendment to CaptureRx 340B Third Party Administrator 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 and authorize the Chair to execute the First Amendment to the 340B Third Party Administrator Services Agreement with CaptureRx to add a Business Associate Agreement without a change in the period of performance of January 14, 2020 through January 13, 2023 (Attachment A); and
- b) Determine that the above actions are 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 actions are organizational or administrative activities 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 execute a First Amendment of the Agreement for 340B Third Party Administrator Services with CaptureRx to add a Business Associate Agreement.

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.

The agreement with CaptureRX allows PHD to continue its direct relationship with three Rite Aid pharmacies (one in Santa Barbara and two in Santa Maria) into the 304B pharmacy network in Santa Barbara County. These pharmacies is a significant benefit to the patients served by the PHD. A Business Associate Agreement signed between both parties is required to to protect the privacy and provide for the security of protected health information disclosed to Rite Aid by the PHD.

Performance Measure:

No performance measures are currently associated with the 340B 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: Yes

Fiscal Analysis:

There are no fiscal impacts to adding a Business Associate Agreement to the Agreement for 340B Third Party Administrator Services with CaptureRx.

Key Contract Risks:

The 340B regulatory requirements are numerous and complex. Noncompliance can have significant negative financial risks ranging from regulatory penalties and manufacturer repayments to total removal from the 340B program. As such, the PHD conducts continuous 340B program assessments and routine independent audits to proactively prevent, identify and resolve potential compliance concerns.

Staffing Impacts:

<u>Legal Positions:</u>	<u>FTEs:</u>
0	0

There are no staffing impacts.

Special Instructions:

Please execute one (1) original CaptureRx Amendment and retain one (1) copy of the executed Amendment and one (1) Minute Order for pick up by the department. Please email the PHD Contracts Unit at Kelly.lazarus@sbcphd.org when available for pick up.

Attachments:

- A. First Amendment to the CaptureRx 340B Third Party Administrator Services Agreement
- B. CaptureRx 340B Third Party Administrator Services Agreement

Authored by:

Dana Gamble, Assistant Deputy Director, Public Health Department