



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: 6-15-10
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Ann Detrick, Ph.D., Director
Director(s) Alcohol, Drug and Mental Health Services, 681-5220
Contact Info: Marianne Garrity, R.N., ADMHS Deputy Director, 681-5220

SUBJECT: Pharmaceutical Contract Amendment

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors approve and execute an amendment to the agreement with PharMerica to increase the contract by \$70,000 for a total contract not to exceed \$420,000 for the period of July 1, 2009 to June 30, 2010.

Summary Text:

Alcohol, Drug and Mental Health Services (ADMHS) contracts with local pharmacies to dispense medication for psychiatric stabilization and treatment of ADMHS clients. PharMerica provides medications used in the County Psychiatric Health Facility (PHF). Approval of the recommended action allows ADMHS to continue to provide medications to clients while hospitalized at the PHF.

Background:

Medication administration is necessary to help clients achieve and maintain stability and to alleviate the symptoms of mental illness. PharMerica provides medication for PHF clients and receives reimbursement from the County for Medi-Cal eligible and uninsured clients. ADMHS projects that PharMerica will exceed the current contract allocation for FY 09-10. Approval of the recommended action will provide an additional \$70,000 to ensure the contract maximum will cover the anticipated costs.

This increase is offset by significant savings in other pharmacy costs, so will not result in an increase in ADMHS' overall pharmaceuticals budget. In fact, for FY 09-10, ADMHS' overall pharmacy costs are projected to be approximately \$175,000 under contract. ADMHS implemented measures in the last two years, such as the use of less costly generic drugs, to contain the cost of pharmaceuticals.

Performance Measure:

The PharMerica contract helps ADMHS meet the following **Recurring Performance Measure:**

To provide mental health services to 5,300 adults with serious mental illness.

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	\$ 210,000.00		
Federal	\$ 210,000.00		
Fees			
Other:			
Total	\$ 420,000.00	\$ -	\$ -

Narrative:

The PharMerica contract is funded by Medi-Cal and State revenues. The funding for this amendment comes from savings from other pharmaceutical contract costs projected to be approximately \$175,000 under budget for FY 09-10. This funding is identified in the FY 09-10 Adopted Budget, Federal and State Revenues (page D-172 in the FY 2009-10 County Budget, in the Hospital and Jail Services Division). Execution of this amendment will not increase the use of general fund dollars by the ADMHS Department.

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:

09-10 PharMerica amendment