



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: April 4, 2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Carrie Topliffe, Interim Director
Director(s) Public Health Department
Contact Info: Dana Gamble, Assistant Deputy Director. Ext. 5171
SUBJECT: Fifth 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 and authorize the Chair to execute the Fifth Amendment (Attachment B) 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 by adding CVS to the list of waived exclusivity.
- b) Determine that execution of this Fifth 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 execute a Fifth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services (Attachment A), effective March 25, 2017. This Fifth Amendment is to amend the exclusivity requirements to enable the Public Health Department (PHD) to enter into a direct relationship with CVS.

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.

Amending the SUNRx Agreement to waive the exclusivity clause for CVS, will allow PHD to enter a direct relationship with CVS in the future, that will potentially add seven CVS pharmacies into the 304B contract network in Santa Barbara County. The addition of these pharmacies will be a significant benefit to the patients served by the Public Health Department. CVS locations are in Carpinteria, Santa Barbara, Goleta, Lompoc and Santa Maria, and the 340B program will provide PHD patients with affordable access to these medications at convenient locations throughout the county.

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: Yes

Fiscal Analysis:

There are no fiscal impacts associated with the SUNRx Administrative Services amendment. However, PHD anticipates a revenue impact once PHD and CVS enter into a direct relationship. When PHD and CVS contract directly PHD will then submit a budget revision with estimated revenue impacts.

Key Contract Risks:

N/A

Staffing Impacts:

Legal Positions:

0

FTEs:

0

There are no staffing impacts.

Special Instructions:

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

Attachments:

- A. Fifth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- B. Fourth Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- C. Third Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- D. Second Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- E. First Amendment to the Agreement with SUNRx for Prescription Drug Administrative Services
- F. Agreement SUNRx for Prescription Drug Administrative Services

340B Pharmacy – 5th Amendment SunRx.

Agenda Date: March 21, 2017

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Authored by:

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