



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: 5/12/09
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Ann Detrick, PhD, Director ADMHS
Director(s) Alcohol, Drug & Mental Health Services 805-681-5220
Contact Info: Marianne Garrity, ADMHS Assistant Director, Administration
805-681-5220

SUBJECT: Pharmacy Contracts FY 08-09

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 recommendations regarding amendments to contracts for Pharmacy services for FY 08-09, as follows:

1. Approve and execute an amendment to the contract with Pharmerica (formerly Kindred Pharmacy Services) (a local vendor) to increase the contract by \$75,000, for a new contract maximum of \$350,000 for the period of July 1, 2008 to June 30, 2009.
2. Approve and execute an amendment to the contract with The Medicine Shoppe (a local vendor) to decrease the contract by \$75,000, for a new contract maximum of \$195,000 for the period of July 1, 2008 to June 30, 2009.
3. Authorize the Director of ADMHS to approve amendments to the proposed contracts, provided that any such amendments do not exceed ten percent (10%) of each contract's dollar amount.

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). The Medicine Shoppe is one of four pharmacies that ADMHS contracts with to provide psychotropic medications to uninsured ADMHS

clients within the community. Approval of the recommended action will enable necessary mid year modifications to pharmacy contract maximums to adjust for shifts in utilization during FY 08-09.

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. The Medicine Shoppe contract provides medication for uninsured ADMHS clients in the Santa Barbara area. ADMHS projects that Pharmerica will exceed the current contract allocation for FY 08-09. Approval of the recommended action will provide an additional \$75,000 to ensure the contract maximum will cover the anticipated costs. Based on year to date utilization, ADMHS projects that reimbursement to The Medicine Shoppe will be lower than the current contract allocation for FY 08-09; therefore, The Medicine Shoppe contract is being reduced to offset the cost of the Pharmerica contract increase.

ADMHS has implemented measures, such as the use of less costly generic drugs, to contain the cost of pharmaceuticals. For FY 08-09, ADMHS' overall pharmacy costs are projected to be \$334,000 under budget.

Performance Measure:

The Pharmerica and The Medicine Shoppe contracts help ADMHS meet **Recurring Performance Measure 0230** to provide effective mental health services to 5,200 adults with serious mental illness.

Mental Health Services are mandated by the Welfare and Institutions Code, Section 5600.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Narrative:

The Pharmerica contract is funded by Medi-Cal (\$175,000) and State revenues (\$175,000). This funding is identified in the Adopted FY 2008-09 Budget, Federal and State Revenues (page D-168 in the FY 08-09 County Budget, in the Hospital and Jail Services Division). The Medicine Shoppe contract is funded by State revenues and is identified in the Adopted FY 2008-09 Budget, Federal and State Revenues (page D-160 in the FY 08-09 County Budget, in the Adult Mental Health Programs Division). The proposed expenditures are included in the Pharmaceuticals line item. Execution of these amendments will not increase the use of general fund dollars by the ADMHS Department.

Special Instructions:

Please send one (1) complete copy of each 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:

The complete Pharmerica and The Medicine Shoppe amendments are available at the Clerk of the Board office.

Authored by:

D. Spahn

cc: