



**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: CEO/Human Resources
Department No.: 064
For Agenda Of: November 3, 2009
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Susan Paul, Assistant CEO/Human Resources Director, 568-2817
Director(s):
Contact Jeri Muth, Assistant HR Director, 568-2816
Info: Andreas Pyper, Benefits Manager, 568-2821
SUBJECT: Receive and File Report – Pharmacy Discount Card Program

County Counsel Concurrence

As to form:

Other Concurrence:

As to form: Risk Management

Auditor-Controller Concurrence

As to form:

Recommended Actions:

That the Board of Supervisors receives and files a report on the County of Santa Barbara's Pharmacy Discount Card Program.

Summary Text:

On July 14, 2009 the Board of Supervisors approved a marketing plan and agreement, as required by Chapter 26 of the Santa Barbara County Code, Sec 26-132 and County Ordinance No. 4202, §1, which authorized the use of the County's seal and name by Financial Marketing Concepts, Inc. (FMC) to implement a Pharmacy Discount Card Program for all Santa Barbara County residents, as well as county employees. The Board also directed staff to work with the County's Communications Director to promote the program, and requested staff return in 90 days to provide a progress report.

During the July 14th Board meeting, staff was directed to return in four months to provide the Board with an update on the program and how it is working. The purpose of this Board item is to provide the requested information.

Background:

The Pharmacy Discount Card Program, administered by FMC, provides County residents with a card that can be used to obtain discounts when purchasing prescribed medications. When users present the card at any participating pharmacy throughout the nation, they receive discounts that range from approximately 13% to 65%.

In addition, FMC pays the County of Santa Barbara fifty cents (\$.50) for the first 8,000 prescriptions filled per month, sixty-five cents (\$.65) for every prescription between 8,000 and 16,000 a month, and seventy-five cents (\$.75) for every prescription over 16,000 per month. The royalty payment does not increase the price residents pay for their prescriptions.

Report:

Since the time the Board approved the Pharmacy Discount Program, the following has occurred:

- In working with the County's Communications Director, press releases were issued regarding the program August 2009. As a result, the information was reported on local radio, television, and newspaper outlets. Staff received numerous and positive calls regarding the new program.
- Hard copies of the cards were placed in the following locations:
 - FMC distributed of approximately 46,000 cards to pharmacies, (chain and private) in Santa Barbara County.
 - Santa Maria Locations:
 - Workforce Resource Center
 - Board of Supervisors – Administrative Building
 - Social Services in the Betteravia Center
 - Public Health Clinics
 - Lompoc Locations:
 - Social Services Centers (2 locations)
 - Public Health Clinic
 - Santa Barbara Locations:

- Social Service Administrative Building lobby
- County Administration Building lobby
- Public Health Clinics
- Girls Incorporated Community Center
- Representatives from the North and South United Way approached the County. United Way had been distributing a pharmacy discount card for some time and wished to partner with the County to distribute the County's cards to its clients. FMC agreed to pay United Way directly ten-cents (\$.10) royalty payment for each prescription purchased through the Program, over and above the amount FMC pays to the County. To date, United Way has distributed more than 3,000 of the County's Pharmacy Discount Cards.
- Since the launch of the Pharmacy Discount Program and through October 9, 2009, 2,246 prescriptions have been purchased using the card. For the months of July and August, the County has received a royalty check of \$162 for the 324 prescriptions that were purchased during that time.
- The monthly purchase of prescriptions using the Pharmacy Discount Card are as follows:

Month	Prescriptions Purchased
July	9
August	315
September	1300

As the chart above shows, participation has been greatly increasing since the implementation of the program. In the month of September, use of the card increased by more than 400% over the previous two months. As usage grows, so will the revenue.

- The following chart projects modest growth in Card usage and revenue generation to occur following the release of the January 2010 press releases through the remainder of the Fiscal Year:

Month	# of Rx	Royalties
July-August	324	\$162
September	1300	\$650
October	1600	\$800
November	1600	\$800
December	1600	\$800
January	1700	\$865
February	1800	\$930
March	1900	\$995
April	2000	\$1060
May	2100	\$1125
June	2200	\$1190
Projected 09-10 Revenue		\$9,377

- FMC reports that overall, customers have saved \$45,331.65 on their prescriptions using the Discount Card, and this represents a 38.8% savings overall.

Staff is in the process of expanding the distribution of the cards to the following locations:

- Public Counters at:
 - Child Support Services
 - Probation Department
 - County Jail Facility
 - Clerk-Recorder Assessor
 - Superior Courts
- Community Centers
- Public Libraries

In January 2010, staff will work with the County's Communications Director to issue additional press releases to further promote the program. Once the program has had a full year of experience, staff will return in August 2010 to provide the Board with a report on the program.

Staff Recommendations

Staff recommends that the revenues from the Pharmacy Discount Card Program be tracked in the CEO/HR budget until the Board of Supervisors begins Fiscal Year 2010-2011 budget discussions at which time a determination can be made regarding the appropriate use of those funds.

Fiscal and Facilities Impacts:

The Pharmacy Discount Program is garnering modest revenue for the County of Santa Barbara. To date, a check for \$162 has been received. Based on the known usage to date, staff anticipates a minimum of \$650 for September and approximately \$800 for October (to be forthcoming in future months). Further, based on modest growth projections, staff is estimating total Fiscal Year revenue generation at slightly over \$9,000.