



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:** Behavioral Wellness  
**Department No.:** 043  
**For Agenda Of:** June 7, 2016  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

---

**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PhD, Director  
Director(s) Department of Behavioral Wellness, 681-5220  
Contact Info: Dr. Ole Behrendtsen, Medical Director, 681-5220

**SUBJECT:** Behavioral Wellness FY 15-18 Pharmacy Contract

---

**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A) Approve, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Hometown LTC Pharmacy** (Hometown) (a local vendor), to provide pharmaceuticals for the Department of Behavioral Wellness' Crisis Stabilization Unit, Outpatient Waiver Program Mid and North County and the Psychiatric Health Facility (PHF) for a total multiyear contract maximum amount not to exceed \$550,000 beginning June 15, 2016 through June 30, 2018.
- B) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guidelines Section 15378(b)(5) since the recommended actions are government administrative activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

**Summary Text:**

The Department of Behavioral Wellness is bringing this contract to the Board of Supervisor (BOS) for approval to provide outpatient and inpatient medications services for County clients in accordance with the competitive bidding process for pharmacy services conducted on January 27, 2016.

Approval of the recommended actions will allow Behavioral Wellness to ensure continuation of lowest cost outpatient care to our clients and allow Behavioral Wellness to comply with the Pharmacy Request for Proposal awarding process.

**Background:**

Since 1998, the Department of Behavioral Wellness has utilized a variety of local and non-local Pharmacy vendors to provide pharmaceutical for the Psychiatrist Hospital Facility and the Outpatient Waiver program to dispense medication for psychiatric stabilization and treatment of clients, who do not qualify for Medi-Cal, have no insurance or other means of payment for medication, or for prescriptions that are not covered by other payor sources, to ensure clients have access to necessary care. The opening of the new 24/7 Crisis Stabilization Unit has resulted in the need for additional pharmacy services.

The Pharmacy Request for Proposal (RFP) process, concluded in January 2016, allowed the Department, to conduct a search for a Pharmacy vendor who could provide a more comprehensive, cohesive and efficient delivery of for all of the Department’s pharmacy needs. The RFP concluded with Hometown Pharmacy being awarded the multiyear contract for two years, to provide outpatient medication for the Crisis Stabilization Unit, the Outpatient Pharmacy Waiver Program for the mid and north county areas, the and inpatient and discharge medications for PHF patients.

Hometown immediately began providing pharmacy services for the PHF, through the purchase order process in March to meet the PHF’s pharmacy needs with no interruption to services; the former vendor, Omnicare’s contract ended March 30. In addition to pharmacy services, Hometown will provide pharmaceutical consulting, emergency drug services, disposal of medications, medications for the waiver program for outpatient clients without a third party payor and retroactive reimbursement, and medications for the CSU including aftercare medications for their clients. Hometown will deliver pharmacy supplies, services, and medications at the lowest possible rates, the Average Wholesale Prices.

In addition, Hometown also has the capability to provide an automated medication dispensing unit for PHF. An automated dispensing unit would add a more secure, accurate, and efficient medication management process that can provide improved patient safety, compliance, inventory control and reduced costs. Behavioral Wellness may be returning to the BOS to amend the contract to add this additional service once the Department has made the needed adaptations that would allow for the operation of an automated dispensing unit.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY 15-16</u></b>	<b><u>Current FY 16-17</u></b>	<b><u>Current FY 17-18</u></b>
	<b><u>Cost:</u></b>	<b><u>Cost:</u></b>	<b><u>Cost:</u></b>
General Fund	\$ -	\$ -	\$ -
State	\$ 3,000.00	\$ 134,500.00	\$ 137,500.00
Federal	\$ 3,000.00	\$ 134,500.00	\$ 137,500.00
Fees	\$ -	\$ -	\$ -
Other:			
<b>Total</b>	<b>\$ 6,000.00</b>	<b>\$ 269,000.00</b>	<b>\$ 275,000.00</b>

Narrative: The funding sources are included in the FY 2015-2016 Budget and in the FY 16-17 proposed budget.

**Key Contract Risks:**

There is a risk that the services provided by the above vendors fall short of Federal and State standards, resulting in audit findings at the PHF. To address this risk, the contract includes provisions requiring the vendor to maintain compliance with Federal and State standards. In addition, the termination provision of the contract allows the County to terminate the contract for cause.

**Special Instructions:**

Please return one (1) Minute Order and one (1) a copy of the signature page of the contract to: admhs[contractsstaff@co.santa-barbara.ca.us](mailto:contractsstaff@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: Hometown FY 15-18 BC

Attachment B: Pharmacy Request for Proposal Notice of Award

**Authored by:**

DMorales

**cc:**