



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: August 28, 2018
Placement: Administrative
Estimated Time:
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, 805-681-5220
Contact Info: Dr. Ole Behrendtsen, Medical Director,
Department of Behavioral Wellness, 805-681-5220

SUBJECT: Psychiatric Health Facility Pharmacy Pharmaceutical Bid Waiver Request

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider a recommendation regarding a waiver of competition under County Code Section 2-39 for the purchase of pharmaceuticals as follows:

- A. Authorize the Purchasing Manager to procure pharmaceuticals for the Department of Behavioral Wellness (Behavioral Wellness) Psychiatric Health Facility (PHF) from AmerisourceBergen Drug Corporation (not a local vendor) without requiring competitive bidding for an amount up to but not to exceed \$360,000 per year and an aggregate cost not to exceed \$1,080,000 for the period August 28, 2018 to July 31, 2021; and
- B. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the agenda to authorize the County Purchasing Agent to issue a blanket purchase order agreement for AmerisourceBergen Drug Corporation, a pharmaceutical wholesaler, without a competitive bid process. This agreement is necessary to service the new Psychiatric Health Facility (PHF) Pharmacy. This request for a waiver is specifically for pharmaceutical services provided to the Behavioral Wellness PHF. Behavioral Wellness will maintain pharmacy contracts for all non-PHF pharmaceutical needs.

County Code Section 2-39 states that the Purchasing Agent is obliged to purchase all materials, supplies, furnishings and equipment by using a formal competitive bidding process, unless the Board of Supervisors has waived competition under a particular set of circumstances.

Due to “limitations in source or supply” pursuant to County Code Section 2-39 Behavioral Wellness is requesting your Board waive the requirement for a competitive bid for the purchase of pharmaceuticals for this vendor. The limitation is that most of the drugs used at the PHF can only be supplied by AmerisourceBergen, a pharmaceutical wholesaler.

The County Purchasing Department recommends that bid waiver requests be made for each applicable fiscal year. This bid waiver request is for FY 2018-2019, FY 2019-2020, and FY 2020- 2021.

Table 1 Estimates of annual pharmaceutical expenses for the Psychiatric Health Facility Pharmacy

<u>Vendor</u>	<u>Product</u>	<u>Contract #</u>	<u>Requested Amount</u>
AmerisourceBergen Drug Corporation	Pharmaceuticals	BWell in-house Psychiatric Health Facility Pharmacy	\$360,000

Background:

Since 1998, Behavioral Wellness has utilized a variety of local and non-local Pharmacy vendors to provide pharmaceuticals for the PHF 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 also resulted in the need for additional pharmacy services.

After a Request for Proposal (RFP) process in January 2016, Behavioral Wellness’ PHF is currently utilizing Hometown LTC Pharmacy, a local vendor, for the provision of inpatient and discharge medications for PHF patients. These services include the pharmacy consultation services and delivery of pharmaceuticals to the PHF.

The Behavioral Wellness PHF is a 16-bed facility that provides 24-hour acute inpatient care to individuals requiring psychiatric hospitalization per California Welfare and Institutions Code (WIC) Section 5150. The PHF is a Lanterman-Petris-Short designated facility and is the only acute psychiatric inpatient hospital that accepts Medi-Cal within Santa Barbara County.

Historically, due to the size of the Behavioral Wellness PHF facility, the nature of the 24/7 365 days per year services, the PHF has experienced ongoing difficulty finding pharmacy services from the community that can offer 24 hour services to meet the needs of the County facilities. Although Behavioral Wellness is utilizing a local vendor, Hometown Pharmacy only provides limited deliveries

and services. As such, the PHF requires more comprehensive services 24/7 and 365 days per year to stay in compliance with the Title 9 of the California Code of Regulations (CCR) requirements for the PHF. For cost saving purposes and to maintain compliance with Title 9 CCR, Behavioral Wellness, with the approval of the PHF Governing Board, decided to pursue the goal of opening a dedicated pharmacy at its PHF.

Following the hiring and on-boarding of the Pharmacist-In-Charge, Behavioral Wellness formed a Pharmacy Workgroup in October 2017 to strategize and plan for the opening of the pharmacy. Currently, Behavioral Wellness’ PHF has obtained licensure from the California Board of Pharmacy to open a pharmacy, and plans to open the PHF Pharmacy on August 31, 2018. In preparation for this opening, Behavioral Wellness has negotiated and executed several contracts that are essential to the opening of and functionality of the pharmacy. These contracts include various construction companies to build the pharmacy; purchase of two (2) Pyxis medication dispensing machines; and pharmacy software with TDS Operating. The final contract, whose implementation will determine the opening of the Pharmacy, is with pharmaceutical wholesaler AmerisourceBergen Drug Corporation.

Initially, Behavioral Wellness and the Public Health Department (PHD) made plans to join together for cost efficiency to purchase pharmaceuticals and supplies at the lowest possible rates. However, due to PHD’s status as a 340B program, Behavioral Wellness was unable to initiate these plans.

PHD currently has a separate contract with AmerisourceBergen, also under a bid waiver. Behavioral Wellness has found it difficult to find a pharmaceutical wholesaler who can provide the injectable pharmaceuticals needed for our inpatient clients. As a result of the lack of available wholesale vendors with ability to procure required pharmaceuticals needed for patient care while also able to meet regulatory pharmacy needs, we are requesting a bid waiver for pharmaceutical procurement.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 18-19 Cost:	FY 19-20 Cost:	FY 20-21 Cost:
General Fund			
State	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
Federal	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
Fees			
Other:			
Total	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00

Narrative: The funding sources are included in the FY 18-19 budget.

Key Contract Risks:

There is a risk that without services from the above vendor, Behavioral Wellness will not be able to open its inpatient pharmacy which could result in a lack of continuity of care for PHF clients. Cost estimates may change since the pharmacy is new and Behavioral Wellness will return to the Board of Supervisors if needed to adjust.

Special Instructions:

Please return one (1) Minute Order to bwellcontracts@co.santa-barbara.ca.us

Authored by:

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