



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: January 6, 2014
Board Meeting Date: March 11, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Ravenswood Family Health Center

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Ravenswood Family Health Center for pharmacy software maintenance fees for the term of August 1, 2013 through June 30, 2018, in an amount not to exceed \$400,000.

BACKGROUND:

Ravenswood Family Health Care (RFHC) has agreed to be the primary care provider for specific San Mateo Medical Center's (SMMC) patients. RFHC has entered into a contractual agreement with Sentry Data Systems (Sentry) as the third party administrator for the federal 340B Drug Pricing Program contract pharmacy arrangements.

DISCUSSION:

As the covered entity, SMMC has agreed to pay 95% of the fee that RFHC pays to Sentry for the prescriptions from Access and Care for Everyone Program (ACE) and Medicaid Coverage Expansion Program (MCE) patients that are processed by Sentry Data Systems. The agreement has been delayed due to protracted negotiations with RFHC, since neither SMMC nor RFHC have any experience with structuring this type of agreement.

The Contract Compliance Committee has approved a waiver request to extend the agreement beyond three years through June 30, 2018.

County Counsel has reviewed and approved the agreement and Resolution as to form.

SMMC also requests that your Board authorize the Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by enabling a mechanism that allows SMMC to recover pharmacy costs while ensuring the availability of prescription drugs for prescriptions filled at SMMC and outpatient pharmacies. It is anticipated that prescriptions filled at SMMC and outpatient pharmacies will be in compliance with 340B Drug Pricing Program 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Percentage of prescriptions filled at SMMC and outpatient pharmacies in compliance with 340B Drug Pricing Program	100%	100%

FISCAL IMPACT:

The term of the agreement is August 1, 2013 through June 30, 2018, in an amount not to exceed \$400,000. Funds in the amount of \$74,560 are included in the SMMC FY 2013-14 Adopted Budget and funds in the amount of \$81,360 will be included in the SMMC FY 2014-15 Recommended Budget. Similar arrangements will be made for future budget years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.