



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 15, 2013
Board Meeting Date: June 18, 2013
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: Amendment to agreement with Baneth's Pharmacy

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Baneth's Pharmacy to provide pharmacy services, increasing the amount by \$80,000 to an amount not to exceed \$1,125,000.

BACKGROUND:

On March 9, 2010, your Board approved an agreement with Baneth's Pharmacy (Baneth's) to provide pharmacy services to the patients of the Willow Clinic for a maximum amount of \$800,000 for the term April 1, 2010, through March 31, 2013. In January 2013, your Board approved the request of San Mateo Medical Center (SMMC) to extend the term through June 30, 2013, thereby permitting SMMC to complete the Request for Proposals (RFP) process for new services. Associated with this extension of term was a request, also approved, to increase the agreement's amount by \$245,000 based on both the extended term and increasing usage. Specifically, volume at four clinics covered by these kind of pharmacy agreements for FY2011-12 rose more than 29%, and during this current fiscal year the same clinics have experienced a further increase of more than 22%. An increase in funding was needed to preclude depletion of funds prior to the end of the contract.

DISCUSSION:

Due to the continuing effects of the current economic situation, volume at the Willow Clinic has continued to remain above expected amounts and the current fiscal provisions of the Baneth's agreement are not sufficient to cover pharmacy expenses for the clinic's patients during the final two months (May and June) of the agreement. Accordingly, SMMC is submitting for approval an amendment that will increase the current agreement by \$80,000 total, for a new maximum fiscal obligation of \$1,125,000.

This increase will permit pharmacy services to continue without interruption through the term of the agreement.

As of July 1, 2013, Baneth is selling its business to another company and will not be providing SMMC with pharmacy services going forward. Another vendor has been chosen to handle volume for the Willow Clinic.

The amendment and Resolution have been reviewed and approved by County Counsel as to form.

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 providing access to prescription medication services to residents of San Mateo County. It is anticipated that 100% of prescriptions will be accurately provided in a timely manner.

PERFORMANCE MEASURE:

Measure	FY 2011-12 Actual	FY 2012-13 Projected
100% of prescriptions will be accurately provided in a timely manner	100%	100%

FISCAL IMPACT:

The term of this agreement is April 1, 2010, through June 30, 2013. The maximum fiscal obligation is \$1,125,000. Funds in the amount of \$419,420 are included in the SMMC FY 2012-13 Adopted Budget.

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 fully meet the costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.