



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: April 13, 2015
Board Meeting Date: June 16, 2015
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 the agreement with Cardinal Health Pharmacy Services, LLC, to provide Remote Order Entry pharmacy services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Cardinal Health Pharmacy Services, LLC, to provide Remote Order Entry pharmacy services, extending the term through June 30, 2016, and increasing the amount by \$185,000 to an amount not to exceed \$785,000.

BACKGROUND:

In September 2010, the Centers for Medicare & Medicaid Services (CMS) found that San Mateo Medical Center (SMMC) was not in compliance with CMS conditions of participation in Medi-Cal because a pharmacist did not always review after-hours medication orders prior to the administration of a patient's first dose. In March 2011, SMMC conducted a Request for Proposals (RFP) for a vendor to provide these services. On July 12, 2011, your Board approved an agreement with Cardinal Health Pharmacy Services, LLC (Cardinal) to provide Remote Order Entry services during the hours when the SMMC pharmacy is closed. On November 21, 2013, the Chief Executive Officer of SMMC approved an amendment that reduced the minimum monthly service levels to reflect SMMC's usage and extended the term of the agreement by one year.

DISCUSSION:

With the recent changes in the contracted hospitalists servicing SMMC's Emergency Room and the October implementation of the ICD-10 coding initiative, it would be disruptive and cost prohibitive to change vendors for this service at this time. SMMC believes it is in the best interest of the County for Cardinal to continue to provide these

services for an additional year and issue an RFP in Fall 2015, permitting SMMC to find a vendor to provide these services starting in Spring 2016.

The County's Contract Compliance Committee has approved a waiver request to extend the agreement by an additional year beyond the current term.

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

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring that all medication orders are reviewed prior to patients receiving a first dose. It is anticipated that 100% of all after-hours medication orders will be reviewed by a pharmacist prior to a patient receiving a first dose.

PERFORMANCE MEASURE:

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Percentage of after-hours medication orders reviewed by a pharmacist	100% 19,000 annually	100% 19,500 annually

FISCAL IMPACT:

The term of the agreement is May 1, 2011 through June 30, 2016. The amount of the agreement is not to exceed \$785,000. Funds in the amount of \$46,250 are included in the SMMC FY 2014-15 Adopted Budget and funds in the amount of \$138,750 will be included in the SMMC FY 15-16 Recommended 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 medical indigent or to those covered by programs that do not fully meet the costs of care is covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.