



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 24-142

Board Meeting Date: 2/27/2024

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, San Mateo County Health  
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

**Subject:** Amendment to the Agreement with Pharma Force Group, LLC to Provide 340B Third-Party Administration and/or Split Billing

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Pharma Force Group, LLC to provide 340B third-party administration and/or split billing services, extending the term of the agreement by 30 months through December 31, 2026, and increasing the amount of the agreement by \$1,550,000 to an amount not to exceed \$1,750,000.

### **BACKGROUND:**

In September 2023, San Mateo Medical Center (SMMC) completed a request for proposals (RFP) for 340B Third-Party Administration and/or Split-Billing Services for SMMC and its contracted pharmacies. The proposed agreement was competitively procured following publication of a request for proposals in August 2023. Pharma Force Group, LLC (Pharma Force) was selected because of their innovative program for claims processing and supply replenishment for medications dispensed in the 340B program. In addition, Pharma Force will ensure compliance with the federal 340B Health Resources and Services Administration program.

### **DISCUSSION:**

Due to protracted negotiations, SMMC entered into a departmental agreement on December 22, 2023, with Pharma Force for the term of January 1, 2024, through June 30, 2024, to avoid any lapse in service. This amendment will take the agreement out to the full term as intended from the RFP process.

County Attorney has reviewed and approved the resolution and agreement as to form. The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

The Information Services Department has reviewed and approved the IT component of this

agreement.

It is anticipated that the percentage savings for dispensed medications using 340B replenishment will be at 20%.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2023-24 Estimated</b>	<b>FY 2024-25 Projected</b>
Percentage of savings for dispensed medications using 340B replenishment	20%	20%

**FISCAL IMPACT:**

The term of the amended agreement is January 1, 2024, through December 31, 2026. The amendment increases the amount payable under the agreement by \$1,550,000 to and amount not to exceed \$1,750,000 for the three-year term. Funds in the amount of \$291,666 are included in the SMMC FY 2023-24 Adopted Budget. Funds in the amount of \$583,333 will be included in the SMMC FY 2024-25 Recommended Budget. Similar arrangements will be made for future 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 is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.

**ATTACHMENT:**

RFP Matrix