



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-679

Board Meeting Date: 9/15/2020

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: Agreement with CareFusion Solutions, LLC to Provide Automated Medication Dispensing Equipment and a Pharmacy Inventory Control System with Storage

RECOMMENDATION:

Adopt a resolution authorizing an agreement with CareFusion Solutions, LLC to provide automated medication dispensing equipment and a pharmacy inventory control system, the term of agreement is September 15, 2020 through October 31, 2026, in an amount not to exceed \$2,000,000.

BACKGROUND:

In June 2019, San Mateo Medical Center (SMMC) and Health IT completed a Request for Proposals to replace the current automated medication dispensing equipment and adding an inventory storage and control system.

DISCUSSION:

CareFusion Solutions, LLC was chosen to upgrade and fulfill the pharmacy modernization requirements because of their familiarity with SMMC's current automated dispensing equipment, as well as over 30 years of experience working with government entities and partnerships across hospital systems. This pharmacy modernization project includes: replacing the Pyxis medication dispensing machines throughout SMMC; updating the pharmacy's-controlled substance narcotic locker, thus allowing for facility-wide tracing and control of narcotics as per federal and state requirements; implementing new Healthsight software and moving to remote server benefits. In addition to the pharmacy modernization project, the new agreement also includes the following: a drug safety function to Anesthesiology carts; a logistics carousel to control inventory and secure drugs, with complete inventory tracking and expiration date monitoring, to help maintain tight controls and prevent wastage/loss; and a new packaging system to unit dose bulk medications.

All of these new systems are effective tools to control and manage inventory, minimize diversion activity and allow for tighter control of highly controlled substances as well as expensive drug items.

The agreement and resolution have been reviewed and approved by County Counsel 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.

The County's Contract Compliance Committee has approved a waiver request for a five-year term for this agreement.

It is anticipated that the percentage of record keeping accuracy for controlled substances will be 100%.

PERFORMANCE MEASURE:

Measure	FY 2020-21 Estimated	FY 2021-22 Projected
Percentage of record keeping accuracy for controlled substances	100%	100%

FISCAL IMPACT:

The term of the agreement is September 15, 2020 through October 31, 2026. The amount of the agreement is not to exceed \$2,000,000 for the 6-year term. Funds in the amount of \$300,000 were included in the SMMC FY 2020-21 Recommended Budget. Funds in the amount of \$400,000 will be included in the SMMC FY 2021-22 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions and levels of services in this contract differ from that of the previous contract, due to the pharmacy modernization project and other improvements mentioned above. The total value of the new contract represents a 23% increase compared to that of the previous contract.

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