



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-137

Board Meeting Date: 2/12/2019

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 S/T Health Group Consulting, Inc. to Provide Consulting and Audit Services for San Mateo Medical Center's Pharmacy 340B Program

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with S/T Health Group Consulting, Inc. to provide consulting and audit services to San Mateo Medical Center's pharmacy 340B program, increasing the amount by \$150,000, in an amount not to exceed \$600,000.

BACKGROUND:

In January 2015, the Chief Executive Officer of San Mateo Medical Center (SMMC) approved an agreement with S/T Health Group Consulting, Inc. (STHGC) to provide consulting and audit services for SMMC's 340B pharmacy program. Your Board has approved subsequent amendments waiving the Request for Proposals process, to ensure consistency of reporting and compliance as set forth by the US Department of Health and Human Services.

DISCUSSION:

STHGC audits have identified compliance issues within SMMC pharmacy. This amendment will implement STHGC's recommendation of auditing SMMC's charge description master (CDM) to ensure the accuracy of the data mapping to SMMC's Sentinel RCM software. In addition, the amendment will include a monthly National Drug Code (NDC) monitoring service, which will provide oversight of SMMC's purchasing and billing functions. SMMC has an urgent need to address STHGC's findings to ensure compliance with the 340B program and continue to receive a significant discount on the cost of medications.

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 SMMC's compliance with the federal 340B pricing program. It is anticipated that at least

95% of the items in the pharmacy CDM will have the correct NDC numbers.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Percentage of items in the pharmacy CDM with correct NDC numbers.	95%	95%

FISCAL IMPACT:

The term of the agreement is February 1, 2015, through January 31, 2020. The amount of the agreement is not to exceed \$600,000. The amendment will increase the contract by \$150,000. Funds in the amount of \$95,000 are included in the SMMC FY 2018-19 Adopted Budget. Similar arrangements will be made in 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 are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.