



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-1099

Board Meeting Date: 11/12/2019

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 Mariner Advanced Pharmacy Corp., to Provide Pharmacy Compounding Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Mariner Advanced Pharmacy Corp., to provide pharmacy compounding services, extending the term through September 30, 2020 and increasing the amount by \$400,000, to an amount not to exceed \$500,000.

BACKGROUND:

On September 23, 2019, the California State Board of Pharmacy visited San Mateo Medical Center (SMMC) and found that the current compounding area did not meet state regulations. SMMC was informed that the in-house pharmacy would not be able to compound prescriptions, beginning October 1, 2019. This would have a major impact on SMMC's patients because the pharmacy compounds approximately 160 prescriptions per month. SMMC reached out to several local pharmacies to see who would be able to start compounding prescriptions by no later than October 1st and also be able to handle the transportation logistics between the pharmacy and SMMC. Mariner Advanced Pharmacy Corp. (Mariner) presented a plan that satisfied both criteria. On September 30, 2019, the Chief Executive Officer at SMMC approved an agreement with Mariner to ensure that patients could continue to receive their medications in a timely manner. On October 10, 2019, the parties amended the agreement to add Mariner as a 340B service provider.

DISCUSSION:

This amendment will extend the term of the agreement through September 30, 2020, with an associated increase in funding. SMMC is requesting your Board waive the Request for Proposals (RFP) process due the impact on SMMC patients not being able to receive their medications. This amendment will also allow SMMC time to stabilize the process of compounding medications and allow SMMC to issue an RFP to find a vendor that can continue the process until the necessary upgrades in the SMMC pharmacy can be completed.

The amendment 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).

It is anticipated that 100% of prescriptions will be received at SMMC as scheduled.

PERFORMANCE MEASURE:

Measure	FY 2019-20 Estimated	FY 2020-21 Projected
Percentage of prescriptions that will be received at SMMC as scheduled	N/A*	100%

*New measure

FISCAL IMPACT:

The term of the revised agreement is October 1, 2019 through September 30, 2020. The amount of the agreement is not to exceed \$500,000. The amendment increases the contract amount by \$400,000. Funds in the amount of \$375,000 are included in the SMMC FY 2019-20 Adopted 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.