



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-424

Board Meeting Date: 6/23/2020

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 PharmaForce to Provide 340B Third-Party Administration Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with PharmaForce to provide 340B third-party administration services for the term of October 1, 2020 through September 30, 2023, in an amount not to exceed \$975,000.

BACKGROUND:

On, April 29, 2019, the San Mateo Medical Center (SMMC) and Health Information Technology released a Request for Proposals for a vendor to provide 340B Third-Party Claims and Split-Billing Services for SMMC and its contracted Pharmacies.

DISCUSSION:

PharmaForce was selected because of their innovative program for claims processing and supply replenishment for medications dispensed in the 340B program. In addition, PharmaForce will ensure compliance with the federal 340B Health Resources and Services Administration program.

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.

It is anticipated that the percentage of the record keeping accuracy for claims accountability will be at 100%

PERFORMANCE MEASURE:

Measure	FY 2019-20 Actual	FY 2020-21 Projected
Percentage of the record keeping accuracy for claims accountability	N/A	100%

FISCAL IMPACT:

The term of the agreement is October 1, 2020 through September 30, 2023. The amount of the agreement is not to exceed \$975,000 for the three-year term. Funds in the amount of \$243,750 are included in the SMMC FY 2020-21 Recommended Budget. Funds in the amount of \$325,000 are 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 an increase in the number of weekly visits to be made by the vendor. The total value of the new contract represents a 17% 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