



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-86

Board Meeting Date: 2/14/2023

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 Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Pharma Force Group, LLC, increasing the amount payable under the agreement by \$400,000, to an amount not to exceed \$1,375,000 with no change to the agreement term.

BACKGROUND:

On, April 29, 2019, 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. 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. On June 23, 2020, the parties entered into an agreement for the term of October 1, 2020, through September 30, 2023, in an amount not to exceed \$975,000.

DISCUSSION:

Due to larger than projected claim capture volume, Pharma Force has been providing more 340B Third-Party claims services than anticipated. This amendment will increase the amount of the agreement to account for this larger claim capture volume.

County Attorney has reviewed and approved the resolution and amendment 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 the percentage of the record keeping accuracy for claims accountability will be at 100%.

PERFORMANCE MEASURE:

Measure	FY 2021-22 Actual	FY 2022-23 Estimated
Percentage of the record keeping accuracy for claims accountability	100%	100%

FISCAL IMPACT:

The term of the amended agreement is October 1, 2020, through September 30, 2023. The amendment increases the amount payable under the agreement by \$400,000 to an amount not to exceed \$1,375,000. Funds in the amount of \$400,000 are included in the SMMC FY 2022-23 Adopted Budget.

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.