



**Health & Human Services  
Agency  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One  
PETE VANDER POEL  
District Two  
AMY SHUKLIAN  
District Three  
J. STEVEN WORTHLEY  
District Four  
MIKE ENNIS  
District Five

**AGENDA DATE:** May 15, 2018

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
<b>CONTACT PERSON: Robert Hernandez      PHONE: 624-8000</b>				

**SUBJECT:** Approve an agreement with Rite Aid Headquarters Corporation

**REQUEST(S):**

That the Board of Supervisors:

1. Approve the 340B Contract Pharmacy Services agreement with Rite Aid Headquarters Corporation retroactively from July 9, 2017 to June 30, 2020. This agreement is retroactive due to inadvertent delays in processing for approval. It was impracticable for the Board to take action prior to July 9, 2017 due to the time needed to process, prepare, and submit the agenda item ;
2. Find that the board had authority to enter into the proposed agreement as of July 9, 2017 and that it was in the County's best interest to enter into the agreement on that date; and
3. Authorize the Chairman of the Board to sign three (3) copies of the agreement.

**SUMMARY:**

The County has an obligation under the Welfare and Institutions (W&I) Code Section 17000 to provide or arrange for medical care and pharmaceutical services via the 340B Drug Discount Program. The 340B Drug Discount Program is a federal program that allows participating drug manufacturers to provide discounted drug pricing to eligible healthcare organizations which serve the county's indigent

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and vulnerable population. Tulare County has a substantial number of individuals whose access to medical care is limited by the lack of transportation to medical services and/or the high cost of prescription medication. These limitations continue to be the primary causes for individuals not obtaining the necessary medical care.

HHSA contracts with several pharmaceutical chains which allows the County to meet the Welfare and Institutions (W&I) Code Section 1700 obligation for pharmaceutical services via the 340B Drug Discount Program. Pharmacy services are a vitally important part of medical treatment as they contribute to the cure and prevention of disease, the improvement and maintenance of personal health and help prevent the worsening of existing conditions. The result is improved personal health, less trips to a medical facility and the postponement of the need for long term medical care. The net effect is reduced overall costs.

Rite Aid Headquarters Corporation pharmacies has been providing pharmaceutical services to the County's indigent population through the federal 340B drug discount program. This agreement expired on July 8, 2017. Due to a miscommunication the agreement was not extended, yet clinic patients continued to make use of their services through the 340b drug discount program. The 340b discount program continued to benefit Tulare County residents by ensuring that discounted drug pricing was being made available. Tulare County did not incur costs during this expiration period. HHSA has implemented new protocols to prevent the need for future retroactive approval in the future.

HHSA is seeking board authorization to approve this retroactive agreement. Approval of the agreement with Rite Aid Headquarters Corporation will ensure the continuation of the 340B program to eligible patients. This agreement will serve Tulare County's indigent clients and indirectly serve many of the over 8,000 clients who regularly seek services at the County's health care centers.

This agreement has been approved as to form by County Counsel. The following terms deviate from the standard County boiler plate: (1) The term of this agreement is multi-year; (2) Upon expiration of the initial three (3) year term, this agreement shall be renewed automatically for three (3) successive one-year terms, unless terminated earlier; (3) This agreement includes mutual indemnification; and (4) The Governing law is in the State of Pennsylvania.

**FISCAL IMPACT/FINANCING:**

This agreement will have no fiscal impact on any HHSA programs, and continue to provide greater access, flexibility, convenience to the County's patients and the availability of discount drug pricing to County's indigent and vulnerable population. There is no County match requirement with this agreement and there is no additional net cost to the County general fund.

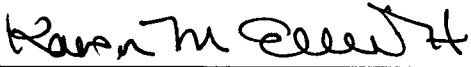
**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

This request furthers the Quality of Life Initiative which promotes public health and

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welfare. This agreement supports this initiative by continuing to provide access to specific Rite Aid contract pharmacies and ensures an improved quality of life for indigent 340B eligible clients who have no other means of securing the necessary pharmacy related services.

**ADMINISTRATIVE SIGN-OFF:**



Karen M. Elliott

Director of Public Health

Cc: Auditor-Controller  
County Counsel  
County Administrative Office (2)

Attachment(s) Agreement

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF APPROVE AN )  
AGREEMENT WITH RITE AID ) Resolution No. \_\_\_\_\_  
HEADQUARTERS CORPORATION ) Agreement No. \_\_\_\_\_

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: MICHAEL C. SPATA  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

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