



**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
EDDIE VALERO
District Four
DENNIS TOWNSEND
District Five

AGENDA DATE: June 25, 2019

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"/>
CONTACT PERSON: Staci Chastain PHONE: 624-8000				

SUBJECT: Approve the 340B Pharmacy Services Agreement and Amendment No. 1 with Rite Aid Headquarters Corporation

REQUEST(S):

That the Board of Supervisors:

1. Approve the 340B Pharmacy Services Agreement with Rite Aid Headquarters Corporation, for the Discount Program effective June 16, 2019 through June 30, 2022. This agreement will provide prescribed medication to patients at Rite Aid pharmacies at a discounted rate. This agreement is retroactive due to inadvertent delays in obtaining signatures. It was impractical for the Board to take action prior to June 16, 2019 due to time needed to process, prepare, and submit the agenda item;
2. Approve Amendment No. 1 to the 340B Pharmacy Services Agreement with Rite Aid Headquarters Corporation retroactive to June 16, 2019 to incorporate negotiated terms and conditions. This amendment is retroactive due to inadvertent delays in negotiating terms and obtaining signatures. It was impractical for the Board to take action prior to June 16, 2019 due to time needed to process, prepare and submit the agenda item;
3. Find that the Board had the authority to enter into the proposed agreement as of June 16, 2019 and that it was in the County's best interest to enter into the agreement on that date; and
4. Authorize the Chairman of the Board to sign three (3) copies of the agreement and amendment.

SUBJECT: Approve the 340B Pharmacy Services Agreement and Amendment No. 1 to Agreement No. 28583 with Rite Aid Headquarters Corporation

DATE: June 25, 2019

SUMMARY:

On May 15, 2018, Tulare County Board of Supervisors approved an agreement with Rite Aid Headquarters Corporation, effective July 9, 2017 to provide 340B contract pharmacy services that would benefit the medically indigent members of our community. On February 27, 2019, HHSA was notified with a ninety (90) day termination notice from Rite Aid Headquarters Corporation due to a recent review, which resulted in a new cost structure for the filling of prescriptions written by Tulare County Health Centers' providers. The prescription dispense fee has changed from \$28.00 per prescription to \$15.00 per prescription plus 2% of 340B drug cost. In many cases, this will result in a cost savings for most patients. Rite Aid Headquarters Corporation presented a new agreement, which includes new costs and agreement terms. The HHSA sought to negotiate particular terms which are contradictory to County boilerplate provisions. As a result, Rite Aid Headquarters Corporation accepted the negotiations, but requires the revisions to be separately listed in Amendment No.1 to the Pharmacy Services Agreement.

The County, under the Welfare and Institutions (W&I) Code Section 17000 is obligated to provide or arrange for medical care and pharmaceutical services. Pharmaceutical services are provided to County patients through the 340B Drug Discount Program, a federal program that allows participating drug manufacturers to provide discounted drug pricing to eligible healthcare organizations which serve the county's indigent 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. Tulare County's existing contract pharmacy network includes Rite Aid Headquarters Corporation which improves access to care through expanded hours of service and locations. 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 cost.

Rite Aid pharmacies, who are part of our contract pharmacy network, have been providing pharmaceutical services to the Tulare County health center's indigent population through the federal 340B drug discount program since 2014.

HHSA is seeking board authorization to approve this agreement. Approval of the agreement with Rite Aid Headquarters Corporation will ensure the continuation of the 340B program to eligible patients. This agreement has the potential to serve patients of the Tulare County's Health Care Center, which exceed 7,000 individuals in calendar year 2018.

The following terms deviate from the standard County boilerplate: (1) Upon expiration of the initial three (3) year term, this agreement shall be renewed for subsequent one (1) year terms unless either Party gives the other at least ninety (90) days prior written notice of its intention not to renew prior to the expiration of the current term; (2) This agreement includes mutual indemnification; (3) The

SUBJECT: Approve the 340B Pharmacy Services Agreement and Amendment No. 1 to Agreement No. 28583 with Rite Aid Headquarters Corporation

DATE: June 25, 2019

Governing law is in the State of Pennsylvania; and (4) Either Party may terminate without cause with a thirty (30) day written notice.

FISCAL IMPACT/FINANCING:

This agreement will have no fiscal impact on any HHS programs. The agreement will 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.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

This request furthers the Quality of life Initiative which promotes public health and welfare. This agreement supports this initiative by continuing to provide access to specific Rite Aid contract pharmacies and insurers 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. Elliot
Director of Public Health

cc: County Administrative Office

Attachment(s) Agreement
Amendment

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

IN THE MATTER OF APPROVE THE)
340B PHARMACY SERVICES AGREEMENT) Resolution No. .
AND AMENDMENT NO. 1) Agreement No.
WITH RITE AID HEADQUARTERS)
CORPORATION)

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: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

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