

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Medical Clinics**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Maureen F. Bauman, Director of Adult System of Care and Medical Clinics

DATE: August 20, 2013

SUBJECT: Beilenson Hearing Regarding Pharmacy Services

ACTION REQUESTED:

1. Hold a public hearing to receive input on a proposed closure of the County-operated pharmacy facility (Health & Safety Code Section 1442.5) and the transition of that service to private pharmacies with no service reduction effective September 1, 2013.
2. Approve a change order to Blanket Purchase Order (BPO) BP020391 with Rite Aid Pharmacy increasing the amount by \$475,000 with no new net County cost for a revised total of \$2,470,000 through December 31, 2013, and authorize the Purchasing Manager to sign the resulting change order to fulfill the County's Health & Safety Code Section 1442.5(b)(1) obligation.
3. Designate that the Department of Health and Human Services Medical Clinics is to provide a 24-hour information service regarding the closure of the County pharmacy and the alternative availability of pharmacy services, and is to provide for the listing in an appropriate telephone directory, as set forth in Health & Safety Code Section 1442.5(b)(3) and (4).

BACKGROUND:

The provision of medical care to medically indigent adults has been a State-mandated responsibility of counties since 1982, and is provided in Placer County through the Medical Care Services Program (MCSP). This program has included medical services as well as medications prescribed as a part of that medical care. Placer County established a pharmacy to prescribe medications to only those patients who were enrolled in the MCSP as the most cost effective and efficient model. The pharmacy is not able to be reimbursed to provide medications to persons on Medi-Cal. This business model change is critical as the majority of persons accessing the clinic will be on Medi-Cal after January of 2014. The pharmacy is located at the Auburn Government Center.

Health & Safety Code Section 1442.5 mandates that prior to closing a County medical facility the Board shall: hold a public hearing on its decision to proceed with the closure, designate an agency to provide a 24-hour information service regarding the closure of the County facility and the availability of alternative services, and arrange for the contractor of these County services to be listed in the local telephone directory under County listings.

In August of 2012, Placer County began participating in the Medicaid Expansion Program (MCE). This program allows Placer County to draw down federal reimbursement for the medical services provided to MCE recipients, including pharmacy services. It is expected that the majority of people previously participating in the MCSP program will now be eligible for the MCE program.

As a result of the transition of MCSP participants to the MCE program, there has been a dramatic reduction of people eligible for and enrolled in the MCSP program. Currently the number of people on MCE is over 3,000 while the number of persons on MCSP is less than 20. However, remaining MCSP participants remain a County responsibility under the Welfare and Institutions Code Section 17000.

In the past three months, approximately 1,158 people obtained services from the Auburn Medical Clinic Pharmacy. These people were only those enrolled in either the MCSP or MCE programs. Those patients enrolled in the MCE program are currently able to utilize Rite Aid Pharmacy close to their home or work in all parts of Placer County. Those patients enrolled in MCSP and patients enrolled in the MCE program in Auburn who are receiving services at the Auburn Medical Clinic have been able to receive their medications at the Auburn Medical Clinic Pharmacy. The Auburn Medical Clinic Pharmacy is operated from 8:00 a.m.–12 noon and from 1:00–5:00 p.m. Monday through Friday. This business model shift will increase the available hours of private pharmacy services by 46 hours per week that includes hours until 10:00 p.m. on weekdays and 10:00 a.m.–6:00 p.m. on both Saturday and Sunday.

The establishment of the MCE program in Placer County has provided an alternative pharmacy option to people who now no longer need to travel to the Auburn Medical Clinic Pharmacy to get their prescriptions filled. The cost of medications for MCE patients is also now reimbursed in part by the Federal government. This has caused the County to re-evaluate the service options provided. In January 2014, those patients currently covered under MCE will be transitioned to Medi-Cal and will no longer be a County program responsibility. These Medi-Cal patients will be able to fill their prescriptions at any pharmacy of their choice.

The Auburn Medical Clinic Pharmacy currently has staffing allocations for one pharmacist and one pharmacy technician. The incumbent pharmacist retired in July resulting in a contractual arrangement for temporary pharmacists to provide services since that time, if the Board decides not to close the pharmacy at this time, then recruitment for a new pharmacist will be undertaken or a longer-term, interim plan will be established. The incumbent pharmacy technician has been offered and accepted a lateral transfer to another vacant funded position within the Department. Program cost savings from salary savings from these two positions and reduced medication costs would equate to approximately \$528,000 annually. This total savings is offset by the salary for the pharmacy technician to transfer to another position and the increased cost for contracted pharmacy services for a net savings of \$213,000.

The change to the current Blanket Purchase Order (BPO) with Rite Aid Pharmacy is expected to cover the increased pharmaceutical services through December 31, 2013. After that date it is expected that with the transition of MCE participants into Medi-Cal the demand for services under the BPO should significantly decrease, as only the small number of remaining MCSP patients will be using this BPO. Additionally, the Department is working with the Purchasing Manager to identify the likely scope of pharmacy services after January 1 of 2014 and the appropriate procurement process for obtaining those services.

Health and Human Services is proposing to stop providing County-operated pharmacy services on September 1, 2013 resulting in enhanced services for patients eligible for MCE and MCSP who will then be able to go to any Rite Aid Pharmacy in Placer County to fill their prescriptions. Rite Aid has multiple locations in Placer County and has hours of operation that include evenings and weekends, making it more convenient for patients to fill prescriptions. The Beilenson notice details these changes and is attached for your reference.

FISCAL IMPACT:

The proposed changes to the delivery of MCSP and Auburn MCE pharmacy services is expected to provide a net cost savings to the County of \$213,000. The increased cost of the Rite Aid contract allows for federal reimbursement but requires no new County General Funds. This expenditure is included in the Department's FY 2013-14 Proposed Budget.

NOTICE OF PUBLIC HEARING

PLACER COUNTY BOARD OF SUPERVISORS

WHERE: Board of Supervisors' Hearing Room, 175 Fulweiler Avenue, Auburn, CA 95603

WHEN: August 20, 2013 at 9:45 a.m.

SUBJECT: BEILENSON HEARING - PROPOSED CLOSURE OF PLACER COUNTY MEDICAL FACILITY PHARMACY AND TRANSFER OF ALL PHARMACY SERVICES TO A PRIVATE CONTRACTOR.

Notice is hereby given that the Placer County Board of Supervisors will conduct a Beilenson Hearing pursuant to Section 1442.5 of the California Health and Safety Code (Beilenson Act) on the proposed closure of a Placer County medical facility, the Auburn Medical Clinic Pharmacy, and the transfer of all pharmacy services to a private contractor.

At this hearing, the Board of Supervisors of the County of Placer will consider the impact of the proposed closure of the County pharmacy and transfer of pharmacy services that may affect some of the County's indigent population. Public testimony, both oral and written, will be accepted at this hearing.

The Placer County Department of Health and Human Services has prepared Attachment A that describes the pharmacy services that will be transitioned to the private pharmacies in the community.

The Board will also consider the closure of the County pharmacy in Auburn and the expansion of the current contract with one or more pharmacies that offer pharmacy services to the indigent residents in Placer County in locations usually more convenient to them.

The Board may approve the proposed closure, in whole or in part, in order to eliminate and/or reduce the estimated shortfall of available resources.

Further information on the proposed closure can be obtained by calling Department of Health and Human Services at 530-889-7215 during normal business hours. Interested persons are invited to attend the hearing or submit written comments.

BOARD OF SUPERVISORS

Clerk of the Board, Ann Holman

Medical Clinic Director, Maureen Bauman

**PLACER COUNTY
DEPARTMENT OF HEALTH AND HUMAN SERVICES
MEDICAL CLINICS**

Program/Service: **Pharmacy Services Provided by the Placer County Medical Care Services Program (MCSP) and Medicaid Expansion Program (MCE)**

LOCATION OF FACILITY OR PROGRAM SERVICES

Medical Clinic Pharmacy, Auburn
11583 C Avenue
Auburn, CA 95603
(530) 889-7215

PROPOSED CHANGES:

The Placer County Medical Clinic Pharmacy in Auburn currently provides services to all people who are enrolled in the Medical Care Services Program (MCSP), those people enrolled in the Medicaid Expansion Program (MCE) who live in the Auburn area and are receiving their medical services at the Auburn Medical Clinic. People who are participating in the MCSP or MCE programs, and who receive medical services at the Auburn Medical Clinic, but who live elsewhere in the County, currently have their prescriptions filled at Rite Aid Pharmacies in their communities.

The proposed change would be to close the Auburn Medical Clinic Pharmacy and to provide pharmaceutical services to all people who are enrolled in the MCSP or MCE program through the Rite Aid Pharmacies in their communities.

This change would not decrease the pharmacy service received by people who are enrolled in these programs.

The Rite Aid Pharmacies are currently under contract with the County to provide this service.

PATIENTS AFFECTED:

There are approximately 1,158 patients who have received services at the pharmacy during the last three months. These people would be directed to a Rite Aid Pharmacy of their choice. This change would give these affected people greater access to pharmacy services. Rite Aid Pharmacies have multiple locations and are open in the evening, during the week, and on weekends. The Auburn Medical Clinic Pharmacy is only open 8:00 a.m. to 5:00 p.m. weekdays, excluding County holidays, and is closed from noon to 1:00 p.m.

EXPECTED SAVINGS:

The proposed changes to the delivery of MCSP and Auburn MCE pharmacy services is expected to be a net cost savings to the County of \$213,000. This includes the reduction of a pharmacy position and the cost of medication but the continued cost of a pharmacy technician (transferred to different classification).

1. Fill prescriptions from providers at the Auburn Medical Clinic for patients who are enrolled in MCSP or enrolled in MCE and are Auburn-area residents.
2. Refill prescriptions from providers at the Auburn Medical Clinic for patients who are enrolled in MCSP or enrolled in MCE and are Auburn-area residents.
3. Answer patient questions about these filled prescription drugs regarding the appropriate use of these drugs, drug interactions or other questions.