

**MEMORANDUM  
PLACER COUNTY HEALTH AND HUMAN SERVICES  
Community 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:** May 7, 2013

**SUBJECT:** Increase Blanket Purchase Orders with Rite Aid Pharmacy and Safeway

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**ACTION REQUESTED:**

Approve a change order to Blanket Purchase Order (BPO) BP020391 with Rite Aid Pharmacy increasing the maximum amount by \$1,450,000 (no net County cost) for a new total of \$1,695,000, and to BPO BP0020389 with Avia Partners, Inc. dba Safeway increasing the maximum amount by \$60,000 (no net County cost) for a new total of \$92,000 for the period of February 5, 2013 through December 31, 2013, and authorize the Purchasing Manager to sign the resulting change orders and transfer funds between BPOs as necessary to meet the County's needs.

**BACKGROUND:**

Placer County is meeting its State mandate to be the provider of last resort for the medically indigent by providing healthcare to 3,200 low-income residents annually via the County's Medical Care Services Program (MCSP) and the newly established Medicaid Coverage Expansion (MCE) approved by your Board on July 24, 2012. Primary care services are provided at the Placer County Medical Clinic (PCMC), Chapa-De Indian Health Program, and WellSpace Health. Mental health services are provided through the Adult System of Care. In November of 2012, this Board approved an increase to the Rite Aid pharmacy agreement that was in effect at that time, and the subsequent renewal of that agreement was based on the increased amount. Since that time, pharmacy usage has continued to escalate significantly. By January of 2013, PCMC in-house pharmacy experienced a 35 percent increase in prescriptions.

The MCE program now provides the majority of care for eligible persons whose income is not more than 100% of the federal poverty level or \$12,400 for an individual. MCSP program had on average approximately 1,500 patients per month and now there are 3,000 active MCE patients, double the former MCSP amount. The length of stay in this program has increased with the new regulations in place for this program.

In order to meet this increasing need it was determined that utilizing the Rite Aid and Safeway pharmacy agreements was the most cost effective and efficient way to meet the remaining need for patient prescriptions. There are several of our contracted retail pharmacies in convenient locations that are open seven days a week, with both evening and weekend hours allowing increased accessibility.

The MCE program, which is subsidized with federal dollars, will provide 100 percent of the funding for the increase in the use of these retail pharmacies. As a result, the County's required maintenance of effort budgeted in the current year will not increase.

**FISCAL IMPACT:**

MCE pharmaceutical costs are 100 percent federally-funded through the Medicaid Coverage Expansion Program. Funding for the first five months of this agreement is available in the Department's FY 2012-13 Final Budget and the remaining six months is included the Department's FY 2013-14 Requested Budget. No County General Fund is required.

cc: Procurement Services

