

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care and 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: November 20, 2012

SUBJECT: Increase Blanket Purchase Order BP019374 for Local Pharmacy Services

ACTION REQUESTED:

Approve a change order to Blanket Purchase Order #BP019374 with Rite Aid Corporation for local pharmacy services, increasing the maximum amount by \$92,000 (\$11,300 net County cost) for a new total of \$222,000 from January 1, 2012 through December 31, 2012, and authorize the Purchasing Manager to sign the resulting change order.

BACKGROUND:

Counties are mandated by the State to be the provider of last resort to the indigent. To meet this mandate, the Placer County Medical Clinic provides primary healthcare to 3,000 low-income residents of Placer County annually via the County's Medical Care Services Program (MCSP). In addition to providing services under MCSP, Placer County is participating in the Medicaid 1115 Waiver Demonstration Program which was approved by your Board on July 24, 2012. This new program was implemented in August 2012 and those MCSP patients who are eligible to participate are now transitioning to this program.

To support the various aspects of care delivered to patients in both programs, the Clinic in-house pharmacy dispenses prescribed medications during regular Clinic hours. However, all after-hours, weekend, holiday, and emergency pharmaceutical needs, as well as medications that may not be stocked by the Clinic pharmacy, are covered through a Blanket Purchase Order (BPO) for local retail pharmacy services with the Rite Aid Corporation. In an effort to mitigate this cost, the Clinic authorizes only a four-day supply of medications on weekends and after-hours. The remainder of the prescription is then filled at the Clinic pharmacy.

The number of residents served by MCSP during FY 2011-12 totaled approximately 3,200 persons. As a result of the implementation of the Medicaid 1115 Waiver Demonstration Program, the combined total of MCSP and Medicaid 1115 Waiver Demonstration Program clients is projected to increase to 4,350 persons in FY 2012-13. Additionally, over the past six months the Community Clinics Division has noted a higher acuity level among its patients resulting in increased pharmaceutical usage. Both of these factors contribute to the need to increase this Blanket Purchase Order.

FISCAL IMPACT:

MCSP pharmaceutical costs are funded with 100 percent County General Funds which accounts for \$11,300 of the increased expenditure amount noted above. The remainder of the increase, \$80,700, will be 100 percent federally funded by the Medicaid 1115 Demonstration Program. The full change order amount was included in the Department's FY 2012-13 Final Budget.

cc: Procurement Services

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