

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Community Health and 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
Mark Starr, D.V.M., M.P.V.M., Director of Community Health, Clinics, and Animal Services

DATE: September 28, 2010

SUBJECT: Increase Blanket Purchase Order BP017216 for Local Pharmacy Services

ACTION REQUESTED:

Approve a change order to Blanket Purchase Order #BP017216 with Rite Aid Corporation, increasing the maximum amount by \$90,000 for a new total of \$165,000 from October 1, 2009 through September 30, 2010 due to increased utilization of pharmaceutical services by the County's mandated Medical Care Services Program, and authorize the Purchasing Manager to sign the resulting change order. The funding is 100 percent County General Fund of which \$135,000 was included in the Department's FY 2009-10 Final Budget. The balance of funding is included in the FY 2010-11 Final Budget.

BACKGROUND:

Counties are mandated by the State to be the provider of last resort to the indigent. To meet this mandate, the Placer County Community Clinic (Clinic) provides primary healthcare to 3,000 low-income residents of Placer County annually via the county's Medical Care Services Program (MCSP). To support the various aspects of care delivered to these patients, the Clinic in-house pharmacy dispenses prescribed medications during regular Clinic hours.

The vast majority of all pharmaceuticals for MCSP patients are provided at no cost to the County via the Pharmacy Assistance Program (PAP). Through close work with pharmaceutical companies, last year the Clinic was able to prescribe and dispense these free medications to MCSP patients that otherwise would have cost the County over \$1.3 million.

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) 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 MCSP caseload has increased during the economic downturn – up over 50 percent since early 2008 (from 800 patients/month to the current caseload of 1,350 patients/month).

FISCAL IMPACT:

MCSP pharmacy costs are funded with 100 percent County General Funds, of which \$135,000 was included in the Department's FY 2009-10 Final Budget. The balance of funding is included in the FY 2010-11 Final Budget.

cc: Jim Boggan, Purchasing Manager

