



Board Agenda Item 57

DATE: September 12, 2017

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Retroactive Revenue Agreement with the California Department of Public Health

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a retroactive revenue Agreement with the California Department of Public Health, Office of AIDS, for AIDS Drug Assistance Program funds, effective July 1, 2016 through June 30, 2019 (\$5,000).**
- 2. Authorize the Director of Public Health, or designee, to execute future amendments to the Agreement with the California Department of Public Health Office of AIDS, AIDS Drug Assistance Program, with County Counsel and Auditor-Controller/Treasurer-Tax Collector approval.**

Approval of the first recommended action will allow the Department of Public Health to continue their designation as an AIDS Drug Assistance Program (ADAP) enrollment site, which allows the Department to receive compensation from the California Department of Public Health, Office of AIDS (CDPH-OA) based on the number of ADAP enrollment services provided, with no increase to Net County Cost. Approval of the second recommended action will authorize the Director of Public Health, or designee, to execute amendments pertaining to changes in confidentiality law or reimbursement amounts.

ALTERNATIVE ACTION(S):

Should your Board not approve the first recommended action, the Department would not be designated as an ADAP enrollment site and unable to provide enrollment services to clients. Should the second recommended action not be approved, the Department would return to your Board with amendments to the agreement.

RETROACTIVE AGREEMENT:

The recommended revenue agreement was received from CDPH on July 12, 2017 and is retroactive to July 1, 2016. On May 18, 2016, CDPH-OA released a letter notifying all ADAP enrollment sites that the contract format was being revised to include direct payment for ADAP enrollment activities, which significantly delayed receipt of the final agreement.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended agreement includes payment provisions based on ADAP client enrollment data, with a floor amount of \$5,000 for completing just one ADAP enrollment per fiscal year. However, we anticipate approximately \$8,000 based on the number of clients served in 2015. Additional reimbursements are based on the type of ADAP enrollment service performed; each service is reimbursed at a different amount ranging from \$20 to \$100 per service. Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2017-18 Recommended

Budget and will be included in the future budget requests. The proposed agreement does not allow for indirect cost recovery; therefore, indirect costs estimated at \$2,527 will be funded with Health Realignment.

DISCUSSION:

In 1986, the United States Food and Drug Administration approved medications that prolong the life of persons with AIDS. Since then, numerous medications have been identified for treatment of this disease and related infections. Through ADAP, clients can utilize CDPH contracted pharmacies located within the County to fill AIDS-related prescriptions; the pharmacies are reimbursed by CDPH for the medication costs. ADAP is for clients who do not qualify for any other source of payment for their prescriptions.

To receive services, clients must meet certain eligibility criteria and be enrolled in ADAP. The Department, as an enrollment site, would be responsible for performing the following screening activities for clients:

- process new ADAP client enrollment;
- prepare bi-annual recertification;
- prepare annual re-enrollment; and,
- update ADAP client information.

Annual and bi-annual reassessment of eligibility is required by CDPH for clients to qualify for either the ADAP Medication Program or other Health Insurance Assistance Programs.

CDPH data indicates that during the 2015 calendar year, 308 clients benefited from the ADAP in the County at an estimated benefit amount of \$1,391,660. The Department provided enrollment services to 93 of the 308 clients. The remaining 215 clients were enrolled at Community Regional Medical Center.

Approval of the recommended agreement will allow the Department to provide enrollment services, allow for local health jurisdiction (LHJ) coordinator activities, and to monitor other ADAP enrollment sites within the County. The LHJ coordinator ensures adherence with the requirements of the agreement, including enrollment workers having appropriate training and compliance with program regulations.

CDPH-OA has advised that amendments may be required throughout the term of the proposed agreement as Federal and State laws relating to information security and privacy are rapidly evolving. The second recommended action would allow the Director of Public Health to execute amendments related only to new standards and requirements imposed by regulations and other applicable laws, once approved by County Counsel. Additionally, reimbursement amounts per service amended during the term would be reviewed by the Auditor-Controller/Treasurer-Tax Collector for approval. Authorizing the Director to execute future amendments will reduce processing costs for a minimal revenue agreement.

The County can request termination of the recommended agreement with a 60-day notice, if the Department plans stop providing ADAP enrollment services. CDPH may also terminate the agreement if funding is reduced or deleted in subsequent years or if the County fails to perform the requirements of the recommended agreement.

REFERENCE MATERIAL:

BAI #16, March 4, 2014

BAI #47, April 23, 2013

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with CDPH for ADAP

CAO ANALYST:

Sonia De La Rosa