



Board Agenda Item 45

DATE: September 11, 2018

TO: Board of Supervisors

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

SUBJECT: Amendment to Agreement with Diamond Drugs, Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment II to Agreement No. 13-570 with Diamond Drugs, Inc., dba Diamond Pharmacy Services, to extend the term of the existing Agreement for pharmaceutical prescriptions and consultation services by six months from September 17, 2018 to March 17, 2019 with no increase in the maximum of \$2,269,310.

Approval of the recommended action will allow the Department of Public Health to continue to utilize Diamond Drugs, Inc. (Diamond) for pharmaceutical and consultation services an additional six months allowing the Department to complete a Request for Proposal (RFP) and subsequent contract for services. The amendment is funded with a grant from the California Department of Public Health (CDPH). This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Should your Board not approve the recommended action, the Department would not have prophylaxis readily available to treat tuberculosis (TB), meningitis, syphilis and other communicable diseases in the community.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum compensation for the final year of the agreement (September 18, 2017 - September 17, 2018) plus the recommended six-month extension (September 18, 2018 - March 17, 2019) shall not exceed \$470,000 and will be funded by a California Department of Public Health grant (9%) and Health Realignment (91%). Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2018-19 Recommended Budget.

DISCUSSION:

On September 17, 2013, the Board approved Agreement No. 13-570 with Diamond for pharmaceutical and consultation services. On December 12, 2017, the Board approved an amendment to reflect the County departments utilizing the services and revised the compensation amount.

The Department's Community Health Division utilizes the agreement to provide treatment for chronic health conditions such as TB, Meningitis, Syphilis and other communicable diseases in the community. The agreement is instrumental in providing medications for the day-to-day clinic operations as well as specialty medications to treat health outbreaks.

As a result of an internal tracking oversight, the preparation and issuance of a RFP was delayed, requiring the recommended amendment. To ensure similar oversights do not occur, the Department has implemented an internal tracking system to follow expiration dates of current contracts. In addition, the Department evaluated the Federal 340B Drug Pricing Program to determine if pharmaceutical cost savings could be realized. In its review, the programs regulations, the Department found that it is not eligible due to the level and type of clinic services the Department provides.

The Department anticipates issuing a RFP in September 2018.

With your Board's approval, Diamond will be able to continue providing pharmaceutical and consultation services through March 17, 2019.

REFERENCE MATERIAL:

BAI #32, December 12, 2017

BAI #25, September 17, 2013

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk -Amendment II to Agreement No. 13-570 with Diamond Drugs Inc.

CAO ANALYST:

Sonia M. De La Rosa