



# Board Agenda Item 76

DATE: June 20, 2017

TO: Board of Supervisors

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

SUBJECT: Revenue Agreement with Financial Marketing Concepts, Inc., dba Coast2Coast Rx Discount Card Program

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute a revenue Agreement with Financial Marketing Concepts, Inc. dba Coast2Coast Rx Discount Card Program, for a Prescription Drug Discount Program for Fresno County residents, effective July 1, 2017, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total estimated at approximately \$60,000.**

Approval of the recommended action will allow the Department of Public Health to continue a Prescription Drug Discount Program for County residents, which provides a royalty of \$1.25 to the County for each filled prescription that result in a paid claim. The royalty does not increase the final cost to residents and will offset the cost of overseeing the program. It is estimated that the program will generate approximately \$12,000 annually, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

There is no viable alternative action. The Board could choose not to offer a prescription drug discount program and residents would still have the option of using one of the non-County plans available through other entities.

FISCAL IMPACT:

There is no Net County Cost increase associated with the recommended action. The County will receive royalties of \$1.25 for each prescription filled, which results in a paid claim. The royalty does not increase the final cost to residents. The revenue will offset the program's oversight costs. The Department estimates the program will generate approximately \$12,000 annually; \$60,000 for the term, with no minimum or maximum compensation amount. Sufficient appropriations and estimated revenues will be included in the Department's Org 5620 FY 2017-18 Recommended Budget and future budget requests for the term.

DISCUSSION:

The County has provided residents a with a Prescription Drug Discount Program through Agreement No. 11-252 with Coast2Coast approve by your Board on May 3, 2011. The agreement was amended on October 28, 2014, extending the initial term to June 30, 2017. The Department has received no complaints from residents regarding Coast2Coast and believes their Rx Discount Card Program has performed satisfactorily.

On March 3, 2017, the Internal Services Department - Purchasing Division released Request for Proposals No. 17-061 for a Prescription Drug Discount Program, resulting in four submitted proposals. Three of the four proposals met the requirements of the RFP; however, after careful review and consideration, an evaluation

committee consisting of a staff analyst, division manager, and assistant director from the Department recommended that the County enter into an agreement with Financial Marketing Concepts, Inc. dba Coast2Coast Rx Discount Card Program (Coast2Coast) for a discount pharmacy card program. Coast2Coast was selected because they offer the highest discount on prescription medications and will provide seven ancillary discounted services to County residents, which will be an additional benefit to residents and adds value to the program. Coast2Coast has a large network of participating pharmacies in the County, including the rural areas and their Prescription Discount Card Program is provided to 32 other California counties including Madera, Merced, Kings, and Tulare.

Coast2Coast will provide County residents with access to discounted prescription drugs through its pharmacy benefit manager, WellDyne Rx, Inc. In addition to discounts on medications, Coast2Coast will offer discounts on dental, hearing, vision, bulk diabetic supplies, lab tests, and veterinarian and imaging services.

Coast2Coast Rx Discount Card Program is not medical insurance nor is it intended to replace health insurance. The program benefits residents who are:

- 1) Uninsured;
- 2) Have high deductible health coverage plans or health savings accounts;
- 3) Insured, but the health insurance plan does not cover all prescriptions or certain laboratory or radiology procedures; and,
- 4) Medicare Part D participants who are in the gap between the initial coverage limit and the catastrophic coverage threshold and who do not have supplemental coverage.

The program will allow residents to save an average of 65% on the retail cost of most brand and generic medications. There are no added fees or costs at the point of sale and no cap on the number of times the discount card can be used. The pharmacy receives a dispensing fee, which is part of the prescription cost whether a discount card is used or not, as it has been figured into the cost of the medication prior to the discount being applied and does not increase the final cost to residents. The County will receive a royalty per filled prescription that results in a paid claim on a residual monthly basis, beginning one month after implementation. The royalty does not increase the final cost to residents.

The County may terminate this agreement without cause upon giving a 30-day written notice of intent to terminate.

REFERENCE MATERIAL:

BAI #47, October 28, 2014, Amendment I to Agreement No. 11-252  
BAI #49, May 3, 2011, Agreement No. 11-252  
BBR, March 9, 2010, Prescription Drug Assistance Programs and Cards

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Coast2Coast

CAO ANALYST:

Sonia De La Rosa