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Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: June 16, 2015

Subject: Cardinal Health Pharmacy Services, LLC Purchase Order Amendment

### **RECOMMENDATION(S):**

Approve and authorize the Purchasing Agent, on behalf of the Health Services Department, to execute an amendment to Purchase Order #53122 with Cardinal Health Pharmacy Services, LLC, to add \$3,500,000 for a new total of \$20,900,000, for the purchase of pharmaceuticals and related supplies at the Contra Costa Regional Medical Center (CCRMC) and Contra Costa Health Centers, with no change in the original term of May 1, 2015 through August 31, 2015.

#### **FISCAL IMPACT:**

This amendment is funded 100% by, and included in the Hospital Enterprise Fund I Budget.

# **BACKGROUND:**

cc: T Scott, C Rucker

CCRMC is satisfied with Cardinal Health Pharmacy Services, LLC as a vendor and wish to continue its working relationship with this company. Cardinal Health Pharmacy Services, LLC, provides three different purchasing Contracts: WAC (Wholesaler Acquisition Cost) accounts (Inpatient 34-18446; Outpatient 34-18765), Novation for the hospital (110459), as

<b>✓</b> APPROVE		OTHER
■ RECOMMENDATION OF CNTY ADMINISTRATOR		
Action of Board On: 06/16/2015 APPROVED AS RECOMMENDED OTHER		
Clerks Notes:		
VOTE OF SUPERVISORS		
AYE:	John Gioia, District I Supervisor	
	Candace Andersen, District II Supervisor	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	Mary N. Piepho, District III	ATTESTED: June 16, 2015
	Supervisor  Karen Mitchoff, District IV  Supervisor	David Twa, County Administrator and Clerk of the Board of Supervisors
ABSENT:	Federal D. Glover, District V Supervisor	By: Chris Heck, Deputy
Contact: Anna Roth, 370-5101		

well as the Public

## BACKGROUND: (CONT'D)

Health System contract for 340B (federal-ceiling pricing for disproportionate share facilities) for ambulatory care. The Cardinal Health contract allows CCRMC to purchase medications and related supplies at the best price through Novation contract. Furthermore, the Health Plan uses Cardinal Health as their source to provide medications for their patients through the 340B program via contract pharmacies. Having Cardinal as our wholesaler maximizes the cost savings for the CCRMC and Clinics. The request for additional funds is to cover invoices through August 31, 2015 to avoid exceeding the current blanket amount.

# CONSEQUENCE OF NEGATIVE ACTION:

If this Purchase Order is not approved, the Hospital Pharmacy, as well as all Ambulatory Care Pharmacies within the CCRMC, will not be able to receive drugs from our wholesaler and the result would be a much higher cost of pharmaceuticals.

# **CHILDREN'S IMPACT STATEMENT:**

Not applicable.