



**Contra  
Costa  
County**

To: Board of Supervisors  
From: William Walker, M.D., Health Services Director  
Date: April 26, 2016

Subject: McKesson Corporation Purchase Order amendment

**RECOMMENDATION(S):**

Approve and authorize the Purchasing Agent, on behalf of the Health Services Department, to amend the Purchase Order with McKesson Corporation #F-000345 effective May 1, 2016 to increase the total amount by \$3,500,000 for a new total amount not to exceed \$6,500,000 for the purchase of pharmaceuticals designated as 340B replenishment inventories dispensed through ten (10) Rite Aid pharmacies and one (1) City Center pharmacy located within Contra Costa County, for the period July 1, 2015 through June 30, 2017.

**FISCAL IMPACT:**

100% Funding is included in the Enterprise Fund III budget. Participation in the 340B program allows the Health Plan to maximize savings.

**BACKGROUND:**

Contra Costa Health Plan (CCHP) has entered into the 340B pharmacy program through the Federal Government's Office of Pharmacy Affairs (OPA). CCHP received OPA approval to contract with ten (10) local Rite Aid pharmacies and one (1) City Center pharmacy in the 340B program. This program supplies prescription medications to CCHP members at a significantly reduced price structure governed by the OPA.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/26/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Mary N. Piepho, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V 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.

ATTESTED: April 26, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Chris Heck, Deputy

Contact: Patricia Tanquary,  
313-6004

The

BACKGROUND: (CONT'D)

increased funding to the existing purchase order, is necessary due to the Affordable Care Act Medi-Cal expansion program which continues to enroll Medi-Cal members at a higher than planned rate and unforeseen higher specialty drug costs.

CONSEQUENCE OF NEGATIVE ACTION:

This Purchase Order allows the County to purchase drugs under the 340B Drug Pricing Program, resulting in savings of approximately 70% compared to traditional pharmacy pricing.

CHILDREN'S IMPACT STATEMENT:

Not applicable.