



**Contra
Costa
County**

To: Board of Supervisors
From: William Walker, M.D., Health Services Director
Date: April 25, 2017

Subject: Purchase Order with McKesson Corporation

RECOMMENDATION(S):

Approve and authorize the Purchasing Agent, on behalf of the Health Services Department, to execute a Purchase Order with McKesson Corporation in an amount not to exceed \$5,500,000 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 from July 1, 2017 through June 30, 2019.

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

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **04/25/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, 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 25, 2017

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

By: Rolanda Hartfield, Deputy

Contact: Patricia Tanquary,
925-313-6004

The \$5,500,000 request, for a new two year purchase order, maintains drug inventories for our current population.

CONSEQUENCE OF NEGATIVE ACTION:

If this Purchase Order is not approved, the County would not be able to purchase drugs under the 340B Drug Pricing Program, resulting in savings of approximately 70% compared to traditional pharmacy pricing.