



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: September 7, 2021

Subject: Amendment #27-633-20 with PerformRx, LLC

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract Amendment Agreement #27-633-20 with PerformRx, LLC, a limited liability company, effective July 1, 2021, to amend Contract #27-633-18 (as amended by Amendment Agreement #27-633-19), to modify performance guarantee and rate guarantee in Medi-Cal billing program in accordance with State Department of Health Care Services (DHCS) requirements with no change in the payment limit of \$119,000,000 and no change in the original term of January 1, 2021 through December 31, 2021.

FISCAL IMPACT:

Approval of this amendment will result in no change to the annual expenditures of up to \$119,000,000 and will be funded as budgeted by the department in FY 2020-2021, by 100% Contra Costa Health Plan (CCHP) Enterprise Fund II. (No rate increase)

BACKGROUND:

Both the State Department of Health Services and the Federal Centers for Medicare and Medicaid Services (CMS) require a Pharmacy Benefits Manager that can develop, maintain, and manage a large pharmacy network and monitor the correct dispensing of drug benefits,

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **09/07/2021** ☒ 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: September 7, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Laura Cassell, Deputy

Contact: Sharron Mackey,
925-313-6104

co-pays

BACKGROUND: (CONT'D)

under multiple group product lines adhering to the required Health Plan Formulary and Health Plan Prior authorization protocol.

On January 5, 2021, the Board of Supervisors approved Contract #27-633-18, with PerformRx in the amount of \$119,000,000, to provide pharmacy administration services for CCHP members, including drug utilization review and management, prior authorization procedures, account management, member pharmacy call center, analysis and reporting services, and developing partnerships with prescribers and pharmacies, for the period from January 1, 2021 through December 31, 2021. This contract includes mutual indemnification.

On April 20, 2021 the Board of Supervisors approved Contract Amendment Agreement #27-633-19 to allow the County and the contractor to remove Pharmacy Benefit Management Services that were anticipated to be effective April 1, 2021, and rescinded by the DHCS with no replacement date received from the DHCS as of April 1, 2021. There was no change in the payment limit of \$119,000,000 and no change in the term of January 1, 2021 through December 31, 2021.

Approval of Contract Amendment Agreement #27-663-20 will allow the County and the contractor to modify performance guarantees and rate guarantees, to be current with the DHCS requirements. Since the Medi-Cal billing that was initially revised on Contract Amendment Agreement #26-633-19 in April 2021 has been cancelled by DHCS, the County and the contractor agree such terms should be removed from the agreement. Until the County and the contractor are notified by DHCS that Medi-Cal billing program is reinstated, the terms will remain excluded from contractual obligations. The requested amendment does not change the payment limit of \$119,000,000 nor does it change the term of January 1, 2021 through December 31, 2021. This amendment contract is late due to language revision discussions with various stakeholders.

CONSEQUENCE OF NEGATIVE ACTION:

If this amendment is not approved, revisions to the Pharmacy Benefit Management Services obligations in the contract will not occur and the contractor and the County will not be compliant with the DHCS's current services.