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**AGENDA COVER MEMO**

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**AGENDA MEMORANDUM**

**AGENDA DATE:** March 22, 2006

**TO:** Board of County Commissioners

**DEPARTMENT:** Health & Human Services

**PRESENTED BY:** Rob Rockstroh



**AGENDA TITLE:** ORDER \_\_\_\_\_ / IN THE MATTER OF AWARDING A CONTRACT FOR FEDERALLY QUALIFIED 340B PHARMACY SERVICES FOR THE COMMUNITY HEALTH CENTERS OF LANE COUNTY (CHCLC) TO WELLPARTNER, INCORPORATED FOR THE PERIOD OF 4/1/06 - 12/31/06.

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**I. MOTION**

ORDER \_\_\_\_\_ / In the Matter of Awarding a Contract for Federally Qualified 340B Pharmacy Services for the Community Health Centers of Lane County (CHCLC) to Wellpartner, Incorporated, for the Period of 4/1/06-12/31/06.

**II. ISSUE OR PROBLEM**

In order to enter into a contract with Wellpartner, Incorporated for qualified 340B pharmacy services, the contract must be accepted and the County Administrator must be delegated authority to sign the contract.

**III. DISCUSSION**

**A. Background/Analysis**

The Community Health Centers of Lane County (CHCLC) provides comprehensive primary health, oral, and mental health/substance abuse services to persons in all stages of the life cycle. It provides services to all persons regardless of ability to pay, and charges for services on a community board approved sliding-fee scale that is based on patients' family income and size.

Approximately 80% of CHCLC 20,000 clinic visits require pharmaceutical treatment. Currently, 95% of CHCLC patients are below 200% of the Federal Poverty Level. Therefore, very few CHCLC patients can afford to purchase their

prescriptions at retail prices. Many chronic conditions including diabetes, hypertension, asthma, and mental health diagnoses require prescriptions as a vital component of the treatment plan.

The Federal "340B Program" was established to provide outpatient drugs to certain covered entities at a reduced price. These covered entities include Federally Qualified Health Centers (FQHCs) such as the Community Health Centers of Lane County (CHCLC). The 340B price is a ceiling price, meaning it is the highest price a covered entity would have to pay for a given outpatient drug. Entities can negotiate below ceiling prices with manufacturers. As a result, 340B prices have been found to be roughly 50% of the Average Wholesale Price.

To increase access to medications the CHCLC desires to provide patients access to medications at greatly reduced prices for three CHCLC locations: Safe and Sound Medical Clinic, Riverstone Medical Clinic, and Springfield High Health Center. To achieve this end, the County seeks to obtain the services of a pharmacy to manage a 340B Drugs program by entering into a "ship to/bill to" arrangement with the pharmacy. The pharmacy will order and receive shipment of 340B Drugs, maintain inventory and controls, dispense such drugs on behalf of the county only to eligible County outpatients, and charge and collect for these drugs, if required, and the county will be billed and will pay for these drugs.

A request for proposal process was administered to determine who would provide these services. Only one company, Wellpartner, Incorporated, submitted a proposal to provide these services. This company submitted proposals for all 3 CHCLC sites. It met all of the requirements of the request for proposal and was selected to provide pharmacy services for the CHCLC.

**B. Alternatives / Options**

1. To award the 340B Pharmacy contract to Wellpartner, Incorporated, and to delegate authority to the County Administrator to sign this agreement.
2. Not to award the 340B Pharmacy contract to Wellpartner, Incorporated, and not to delegate authority to the County Administrator to sign this agreement.

**C. Recommendation**

To approve #1 above.

**D. Timing**

Existing pharmacy services provided by the Community Health Clinic of Lane County are limited and costly to manage. Therefore actions to implement the proposed change will take place as soon as the Board has acted.

#### **IV. IMPLEMENTATION/FOLLOW-UP**

Upon approval by the Board, the contract will be drafted with Wellpartner, Incorporated.

Upon agreement of the Pharmacy and the County, the contract will be forwarded to the County Administrator for signature.

#### **V. ATTACHMENTS**

Board Order

**THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

**RESOLUTION AND ORDER:** ) IN THE MATTER OF AWARDING A CONTRACT FOR FEDERALLY  
) QUALIFIED 340B PHARMACY SERVICES FOR THE COMMUNITY  
) HEALTH CENTERS OF LANE COUNTY (CHCLC) TO  
) WELLPARTNER, INCORPORATED FOR THE PERIOD OF 4/1/06 -  
) 12/31/06.

WHEREAS, the Community Health Centers of Lane County seeks to obtain the services of a pharmacy to manage a 340B Pharmaceutical program;

WHEREAS, a request for proposal process was administered to determine who would provide these services; and

WHEREAS, Wellpartner, Incorporated was selected through the request for proposal process to provide 340B pharmaceutical services;

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Board of County Commissioners delegate authority to the County Administrator to sign an agreement with Wellpartner, Incorporated in the amount of \$450,357 for the period of April 1, 2006 through December 31, 2006 for these services.

DATED this 22<sup>nd</sup> day of March, 2006.

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Bill Dwyer, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 3/10/06 Lane County  
Shaidlan  
OFFICE OF LEGAL COUNSEL