



# Mendocino County

## Legislation Text

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**File #:** 21-0643, **Version:** 1

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**To:** Board of Supervisors

**From:** Executive Office

**Meeting Date:** June 22, 2021

**Department Contact:** Cherie Johnson

**Phone:** 463-4441

**Department Contact:** Emma Saucedo

**Phone:** 463-4441

**Item Type:** Consent Agenda

**Time Allocated for Item:** N/A

**Agenda Title:**

Approval of Retroactive Agreement with Keenan & Associates' Pharmacy Case Management (KPCM) Program in the Amount of \$62,000 to Provide Pharmacy Case Management Services to the County's Self-Funded Health Plan, Effective November 1, 2020 through October 31, 2021

**Recommended Action/Motion:**

Approval of retroactive Agreement with Keenan & Associates' Pharmacy Case Management (KPCM) program in the amount of \$62,000 to provide pharmacy case management services to the County's Self-Funded Health Plan, effective November 1, 2020 through October 31, 2021; authorize Assistant CEO to approve future amendments that do not exceed a 10% increase over the current annual rate, for a period of three (3) years; and authorize Chair to sign same.

**Previous Board/Board Committee Actions:**

N/A

**Summary of Request:**

The KPCM program assists employers in managing costs associated with their self-funded employee prescription drug plan. The County's plan has been experiencing an increase in high priced prescriptions, many of which have a lower priced alternative. The KPCM program engages directly with the member and their provider to ensure the best possible drug therapies are chosen based on clinical effectiveness and overall cost to the member and the plan.

Over time the average return on investment (ROI) can be as high as 3-5 times the cost of the program. The County is guaranteed to save the cost of the program in the first year with an expectation of a greater ROI in subsequent years.

County and KPCM representatives have been working on a mutually acceptable Agreement since October of 2020. In an effort to save the health plan monies as soon as possible, KPCM began the cost saving services in good faith with the anticipation that an Agreement would be reached. The negotiation process for appropriate language in this public document took much longer than anticipated and has now resulted in a request for approval of a retroactive Agreement.

**Alternative Action/Motion:**

Return to the Executive Office - Health Benefits Administration, with further instruction.

**Supervisory District:** All

**vote requirement:** Majority

**Supplemental Information Available Online At:** N/A

**Fiscal Details:**

**source of funding:** 0715

**current f/y cost:** \$62,000

**annual recurring cost:** \$62,000 (est.)

**budget clarification:** Not budgeted but funds are available. KPCM guarantees that that if the savings realized not exceed the cost of the program, their fee will not exceed the amount of the annual savings.

**Agreement/Resolution/Ordinance Approved by County Counsel:** Yes

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**CEO Liaison:** Cherie Johnson, Deputy CEO

**CEO Review:** Yes

**CEO Comments:**

**FOR COB USE ONLY**

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Executed By: Atlas Pearson, Deputy Clerk I

Date: June 23, 2021

**Note to Department** Number of Original Agreements

Returned to Dept: 1 Original Agreement Delivered to Auditor?

Yes

Final Status: **Approved**

Executed Item Type: Agreement Number: 21-115

