



Mendocino County

Legislation Text

File #: 19-1093, **Version:** 1

To: Board of Supervisors

From: Human Resources

Meeting Date: January 21, 2020

Department Contact: Cherie Johnson

Phone: 234-6600

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Second Amendment to BOS Agreement Number 17-060-A1 with Keenan & Associates in the Amount of \$34,300, for a New Agreement Amount of \$220,000, for Continued Membership in the Keenan Pharmacy Purchasing Coalition to Negotiate Reduced Fees with Express Scripts, Inc., Effective January 1, 2020, through December 31, 2020

Recommended Action/Motion:

Approve retroactive second amendment to BOS Agreement Number 17-060-A1 with Keenan and Associates in the amount of \$34,300, for a new Agreement Amount of \$220,000, for continued membership in the Keenan Pharmacy Purchasing Coalition to negotiate reduced fees with Express Scripts, Inc., effective January 1, 2020, through December 31, 2020; authorize the Human Resources Director to approve future amendments that do not exceed a 15% increase over the existing per member per month rate for a period not to exceed 3 years; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On July 17, 2017 the Board approved Agreement Number 17-060. On April 24, 2018 the Board approved Agreement No. 17-060 A1.

Summary of Request:

The County's health plan consultant, Keenan & Associates, through the Keenan Pharmacy Purchasing Coalition (KPPC), negotiates directly with the County's pharmacy provider, Express Scripts, Inc. (ESI). The direct negotiation results in maximum savings to ESI customers. To receive the benefit of these negotiated fees the County must be a member of the KPPC.

The monthly membership fee is calculated on a per member per month (PMPM) basis. In 2018, Keenan's independent auditor, Solid Benefit Guidance, conducted a Request for Information and determined that for the County, remaining in the KPPC will continue to bring larger discounts, larger rebates and lower dispensing fees for the health plan.

This item is presented today as retroactive because the contractor inadvertently let their business license lapse. Human Resources advised the contractor of the lapse and requested they renew it. Due to this delay, Human Resources was unable to obtain the contractor's signature in time to bring the item forward to the Board prior to the last meeting of calendar year 2019.

Alternative Action/Motion:

Return to Human Resources with further direction.

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: 0715

current f/y cost: \$34,284

annual recurring cost: \$34,284

budgeted in current f/y: Yes

if no, please describe:

revenue agreement: No

budget clarification: 19/20 Fiscal Year budget is \$34,068. Actual member counts project the total to be \$34,284.

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Janelle Rau, Deputy CEO

CEO Review: Yes

CEO Comments:

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Executed By: Karla Van Hagen, Senior Deputy Clerk Final Status:**Approved**

Date: January 23, 2020

Executed Item Number: Agreement 17-060-A2

Note to Department Number of Original Agreements

Returned to Dept: 3 Original Agreement Delivered
to Auditor? Yes

