

Setting the Standard in Health Care Excellence

December 19, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT

Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Ventura County Medical Center 340B Compliance Audit Statement of Work (MID# 87498) and the County of Ventura 340B Compliance Audit Statement of Work (MID# 3745219) with Vizient, Inc., for 340B Compliance Audit Services, Effective January 15, 2024, for an Aggregate Amount of \$35,000, Including Any Changes Approved by County Counsel that Do Not Modify the Scope of Costs or Pricing.

RECOMMENDATION

That your Board approve, and authorize the Purchasing Agent or designee to sign, the Ventura County Medical Center 340B Compliance Audit Statement of Work (MID#87498) (Exhibit 1) and the County of Ventura 340B Compliance Audit Statement of Work (MID# 3745219) (Exhibit 2) (together, "SOW's") with Vizient, Inc. (Vizient), for 340B compliance audit services, effective January 15, 2024, for an aggregate amount of \$35,000, including any changes approved by County Counsel that do not modify the scope of costs or pricing.

FISCAL IMPACT

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections
Funding Match Required:	None
Impact on Other Departments:	NA

Summary of Annual Revenues and Costs under these agreements:

	<u>FY 2023-24</u>
REVENUE:	\$35,000
DIRECT COSTS:	\$35,000
INDIRECT COSTS:	Minor
Net Revenue <cost>	\$0

Current Year Fiscal Budget

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

Sufficient revenue and appropriations are included in the FY 23-24 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

STRATEGIC PLAN PRIORITY:

This request aligns with the County's strategic priority of Healthy, Safe and Resilient Communities, and the strategic goal to provide equitable and timely access to quality healthcare, mental health, and public healthcare services.

DISCUSSION

The Health Care Agency (HCA) participates in the federal 340B Drug Pricing Program through Ventura County Medical Center (VCMC) and its Federally Qualified Health Centers (FQHCs). The 340B Program requires drug manufacturers to provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices. The 340B Program enables qualified covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.

On September 20, 2022, your Board approved the Vizient Master Services Agreement to enable the County to obtain services from Vizient in accordance with the terms there of as described in the applicable statements of work. Under the proposed Vizient 340B SOWs, the County will contract with Vizient to provide necessary compliance services including a mock audit to support the County's participation in the 340B program. In order to adhere to Health Resources & Services Administration compliance guidelines, these services must be performed under separate SOWs for VCMC which is a Disproportionate Share Hospital entity, and the FQHCs, as a Consolidated Health Center Program entity.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding this item, please call Jason Arimura, Associate Hospital Administrator-Ancillary Services, (805) 652-6759.



John Fankhauser, M.D.
Chief Executive Officer, County Hospitals



Barry L. Zimmerman
Health Care Agency Director

Exhibits

Exhibit 1 – Vizient, Inc. – Ventura County Medical Center 340B Compliance Audit –
MID# 87498 – Statement of Work

Exhibit 2 – Vizient, Inc. – County of Ventura 340B Compliance Audit – MID# 3745219 –
Statement of Work