

January 9, 2024

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

SUBJECT:

Approval of, and Authorization for the Health Care Agency Director, or Designee to Sign, on behalf of the Ventura County Health Care Plan, Amendment Number Sixteen and Seventeen to the Pharmacy Benefit Management Agreement with Express Scripts, Inc., Effective January 1, 2024, Adding into the Agreement a Reconciliation Adjustment Process on Low Wholesale Acquisition Cost Biosimilar Products and a Rebate Reconciliation Methodology for Drugs Impacted by the American Rescue Plan Act of 2021.

RECOMMENDATION:

That your Board approve, and authorize the Health Care Agency Director or designee to sign, on behalf of the Ventura County Health Care Plan (VCHCP), Amendment Number Sixteen and Seventeen to the Pharmacy Benefit Management Agreement with Express Scripts, Inc. (ESI), effective January 1, 2024, adding into the Agreement a reconciliation adjustment process on low wholesale acquisition cost biosimilar products and a rebate reconciliation methodology for drugs impacted by the American Rescue Plan Act of 2021.

FISCAL IMPACT VCHCP BU #3390:

No fiscal impact.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it supports the goal of providing equitable and timely access to quality healthcare.

DISCUSSION:

VCHCP arranges for the provision of health care services, including prescription medication, to members enrolled in its benefit plan. Because of the complexity of issues

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involved in the administration of a medication benefit program, VCHCP, like most other health plans, utilizes an independent pharmacy benefit manager to manage its program.

Under this agreement, ESI, on behalf of VCHCP, administers services which provide outpatient retail and mail-order prescription medication services to VCHCP members as well as those who receive prescription medication through the Behavioral Health Department's pharmacy benefit. Services provided by ESI include negotiations and contracting with local and national pharmacies. ESI also contracts with companies that make medications available to VCHCP members by mail. In addition ESI assists VCHCP in the development of its preferred drug list (formulary), and provides VCHCP with extensive analysis and reporting capabilities to assist VCHCP in its utilization and cost control effects.

If approved by your Board, effective January 1, 2024, Amendment Number Sixteen and Seventeen to the Pharmacy Benefit Management Agreement will add into the Agreement a reconciliation adjustment process on low wholesale acquisition cost biosimilar products and a rebate reconciliation methodology for drugs impacted by the American Rescue Plan Act of 2021. There is no fiscal impact associated with these amendments. Your Board previously approved Amendment Number Fourteen on July 25, 2023, which renewed the Agreement for a four year term through 2026.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor-Controller's office. If you have any questions regarding these recommendations, please contact Dee Pupa at (805) 981-5006.



Dee Pupa
Health Care Agency Deputy Director Managed Care
Health Care Plan Administrator



Barry Zimmerman
Health Care Agency Director

Attachments: Exhibit 1 – Amendment Number Sixteen
Exhibit 2 – Amendment Number Seventeen