
Setting the Standard in Health Care Excellence

September 14, 2021

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 Eleven to the Pharmacy Benefit Management Agreement with Express Scripts, Inc., Effective October 1, 2021, Adding Regulatory Compliance Language and a Delegation Activity Exhibit into the Agreement.

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 Eleven to the Pharmacy Benefit Management Agreement with Express Scripts, Inc., (ESI), effective October 1, 2021, adding regulatory compliance language and a delegation activity exhibit into the Agreement.

FISCAL IMPACT:

Mandatory:	Yes
Authority:	Health & Safety Code §§1342.7(g), 1345(b); California Code of Regulations, Title 10, §2699.6700; Title 28, §1300.67.24
Source of Funding:	VCHCP Operational Performance
Funding Match Required:	None
Impact on other Departments:	None

Summary of Annual Revenues and Costs under this Agreement:

	<u>FY 2021-22</u>	<u>FY 2022-23</u>
REVENUE	\$0	\$0
DIRECT COSTS:	\$0	\$0
INDIRECT COSTS:	\$0	\$0
Net revenue <cost>	\$0	\$0

CURRENT FISCAL YEAR BUDGET TABLE

FY 2021-22 Current Budget for Ventura County Health Care Plan Fund E-510 Division 3390				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$ 92,165,503	\$ 92,165,503	\$ 92,165,503	\$ 0
Revenue	\$ 93,524,324	\$ 93,524,324	\$ 93,524,324	\$ 0
Operational Income/(Loss)	\$ 1,358,821	\$ 1,358,821	\$ 1,358,821	\$ 0

*includes interest and fixed assets

DISCUSSION:

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

VCHCP is a full-service Knox-Keene licensed health plan regulated by the Department of Managed Health Care (DMHC). VCHCP is obligated to ensure contracted health care providers and vendors are compliant with the Knox-Keene Health Care Services Plan Act and applicable provisions of the California Health and Safety Code. The Amendment Number Eleven, presented to your Board today, is effective October 1, 2021 and adds regulatory compliance language into the ESI agreement. It also adds a delegation activity exhibit, which outlines activities VCHCP has delegated to ESI and VCHCP's responsibility of oversight of the delegated activities. After one year and a half of review and editing, the DMHC has approved this document. There is no fiscal impact associated with this amendment.

BOARD OF SUPERVISORS

ESI

September 14, 2021

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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 L. Zimmerman
Health Care Agency Director

Attachment: Exhibit 1 – Amendment Eleven to Pharmacy Benefit Management Agreement with Express Scripts, Inc.