

Setting the Standard in Health Care Excellence

July 26, 2022

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 Thirteen to the Pharmacy Benefit Management Agreement with Express Scripts, Inc., Effective January 14, 2022, Adding Dispensing and Program Fees into the Agreement for Two COVID-19 Oral Antiviral Products.

RECOMMENDATION:

1. 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 Thirteen to the Pharmacy Benefit Management Agreement with Express Scripts Inc., (ESI), effective January 14, 2022, adding dispensing and program fees into the Agreement for two COVID-19 oral antiviral products.

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 Revenues and Costs:

	FY 2022-23	FY 2023-24
Revenues:	\$0	\$0
Costs:		
Direct	\$0	\$0
Indirect-Dept	\$0	\$0
Indirect-County CAP	\$0	\$0
Total Cost	\$0	\$0
Net County Cost	\$0	\$0
Recovered Indirect Cost	\$0	\$0

There is currently no fiscal impact associated with this amendment since there has been zero utilization for these services. Any future utilization or fiscal impact will be covered under the VCHCP operational budget.

CURRENT FISCAL YEAR BUDGET TABLE

FY 2022-23 Budget Projection for Ventura County Health Care Plan Fund E-510 Division 3390				
	Adopted Budget	Adjusted Budget	Estimate to Year-End	Estimated Savings/(Deficit)
Expenditures	\$85,491,647	\$85,491,647	\$85,491,647	\$0
Revenue	\$85,537,531	\$85,537,531	\$85,537,531	\$0
Operational Income/ (Loss)	\$45,884	\$45,884	\$45,884	\$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.

Currently the U.S. Food & Drug Administration has approved two COVID-19 oral antiviral medications: Pfizer's pill, Paxlovid™, and Merck's Molnupiravir. When taken soon after presentation of COVID-19 symptoms and a positive COVID-19 test, these medications can help reduce the severity of the virus, potentially reducing hospitalizations and deaths. Until further notice, the federal government will purchase and distribute these medications to pharmacies for patients to access and fill their prescription as needed.

The Amendment Number Thirteen, presented to your Board today, is effective January 14, 2022, and adds into the agreement pharmacy dispensing and program fees for these two medications. While these medications are funded by the federal government and covered under the Emergency Use Authorization (EUA) ESI will charge a \$0 ingredient cost, up to a \$12.00 pass through pharmacy dispensing fee and a \$2.50 per prescription program fee. The \$12.00 pass-through pharmacy dispensing fee was implemented due to federal and industry guidance based on the dispensing fee set by Health Resources and Services Administration (HRSA) for un-insured patients. If the medications become no longer funded by the federal government, the ingredient cost and pass-through dispensing fees shall convert to our standard fees as set forth in our current agreement.

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The standard ingredient costs are a discount off average wholesale price (AWP), and the dispensing fees range from \$0.40 - \$0.50 per prescription.

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 Thirteen to Pharmacy Benefit Management Agreement with Express Scripts, Inc.