

Setting the Standard in Health Care Excellence

February 28, 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 Execute, Customer Application Account Set Up Forms, with McKesson Corporation, Adding Three (3) New Pharmacy Locations for Participation in the 340B Drug Pricing Program with CVS Pharmacy, Inc. (CVS); Authorization for the Purchasing Agent or Designee to Execute Additional Customer Account Set Up Forms with McKesson Corporation, to Add CVS Pharmacy Locations for Participation in the 340B Drug Pricing Program that Do Not Modify the Scope of Costs or Pricing.

Recommendation:

1. That your Board approve and authorize the Purchasing Agent or designee to execute the attached customer application account set up forms, with McKesson Corporation (McKesson), for Ventura County Medical Center (VCMC) (Exhibit 1) and County of Ventura covering participating Federally Qualified Health Center (FQHC) (Exhibit 2), adding three new CVS locations for participation in the 340B Drug Pricing Program.
2. That your Board authorize the Purchasing Agent or Designee to execute additional customer account set up forms with McKesson Corporation to add new CVS locations for participation in the 340B Drug Pricing Program when the addition of the location does not modify the scope of costs or pricing.

Fiscal Impact:

There is no fiscal impact with the customer application set up forms.

Discussion:

The Health Care Agency (HCA) participates in the federal 340B Drug Pricing Program through VCMC and the FQHC clinics. The 340B Program requires drug manufacturers provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices. The 340B Program enables these covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Covered entities that participate in the 340B Program may contract with pharmacies to dispense drugs purchased through the program on their behalf.

The County, on behalf of HCA, currently contracts with several pharmacies, including seven (7) CVS pharmacy sites, to dispense drugs purchased through the 340B Program. Recognizing the advantage of this program to HCA, HCA is expanding its participating pharmacies to include these three (3) new additional CVS sites.

CVS requires covered entities to utilize McKesson as the pharmaceutical wholesaler for some of its pharmacies when participating in its 340B Program. The customer application account set up forms will allow McKesson to replenish medications for the 340B Program at the additional locations. In addition, your Board's authority is requested to submit additional forms to add new CVS locations when the addition of the new location will not result in a change to the scope of costs or pricing.

Through adding these additional CVS pharmacies to the participating pharmacies, HCA can expect to see increased revenue from its 340B Program contract pharmacy network. This will allow VCMC and the FQHC clinics to provide more comprehensive services to those patients in most need.

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 these recommendations, please contact 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 – McKesson Application – Ventura County Medical Center (DSH050159) –
CVS x3

Exhibit 2 – McKesson Application – County of Ventura (CH098480) – CVS x3