

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 22, 2023

FROM

JOSHUA DUGAS, Director, Department of Public Health

SUBJECT

Contract with CPS Solutions, LLC for Pharmacy Support Services

RECOMMENDATION(S)

Approve **Contract No. 23-927** with CPS Solutions, LLC to administer a Pharmacy Management Program under the 340B Drug Assistance Program, including non-standard terms, in the total not to exceed amount of \$5,727,190, for the contract period of September 1, 2023 through August 31, 2028.

(Presenter: Joshua Dugas, Director, 387-9146)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not impact Discretionary General Funding (Net County Cost). The total contract amount of \$5,727,190 is funded with Federally Qualified Health Center (FQHC) revenues (fee-for-services Medi-Cal, Managed Care Medi-Cal, and private insurance) in the amount of \$1,566,040, Centers for Disease Control and Prevention, Immunization Cooperative Agreements, Local Assistance grant funding in the amount of \$1,664,460, and 1991 Social Services Realignment funds in the amount of \$2,496,690. Adequate appropriation and revenue have been included in the Department of Public Health's (DPH) 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

DPH currently operates FQHCs that qualify as covered entities eligible for the federal 340B Program. The federal 340B Program was created in 1992 and requires drug manufacturers to provide outpatient drugs to eligible health organizations and covered entities at significantly reduced prices. Participation in the 340B Program from Health Resource and Services Administration enables DPH to obtain medications at reduced costs for eligible clients who are underinsured or uninsured.

The recommended contract with CPS Solutions, LLC (CPS) will assist DPH in providing pharmacy support services to the DPH Clinic Operations Section and Surveillance and Response Divisions. CPS services will include assisting with maintenance and implementation of the 340B Program, and pharmacy support services to ensure appropriate procedures and internal controls are developed and followed to maintain compliance with required program mandates.

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Under the terms of the recommended contract, at a minimum, CPS will provide quality assurance of medical supplies received (test kits, medication, vaccines, ancillary supplies, etc.); provision of consulting services to ensure pharmacy standards are met in support of general DPH programs; establishment of internal DPH policies and procedures to ensure appropriate antimicrobial drug use; and participation in the Medication-Assisted Treatment and provision of oversight with the AccuVax Management System used to store and manage vaccines.

CPS charges must be for services provided to eligible beneficiaries under this funded program. DPH will review the invoices and attachments submitted by CPS prior to payment. San Bernardino County (County) reserves the right to request additional program and/or fiscal reports to facilitate this monthly review.

The contract with CPS includes terms that differ from the standard County contract terms. The non-standard terms include the following:

1. CPS's indemnification obligation is limited to claims arising out of the negligence or willful misconduct of CPS, its officers, employees, subcontractors, agents, and volunteers.
 - The County standard contract indemnity provision requires the Contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors, or omissions of any person.
 - Potential Impact: CPS's indemnity obligation under the contract is more limited than under the standard County general indemnity provision. In the event that a claim arises that falls outside the scope of CPS's limited indemnity obligation, the County may be solely responsible for the costs of defense and any resulting settlement/judgement.
2. The County may terminate the contract with 60 days advance notice.
 - The County standard termination provision gives the County the right to terminate the contract with 30 days advance notice.
 - Potential Impact: DPH must be mindful of this additional notice period in the event it seeks to terminate the contract.

DPH recommends approval of this contract, including the non-standard terms, as CPS will assist DPH with the 340B Program to ensure appropriate procedures and internal controls are developed and followed to maintain compliance with required program mandates. Participation in 340B enables DPH to obtain needed medication at substantial savings and assist DPH in maximizing federal grant resources to better serve the County.

PROCUREMENT

The County Administrative Office approved and authorized the release of a joint Request for Proposal (RFP) No. ARMC123-ARMC-4823 with the Arrowhead Regional Medical Center (ARMC) on January 13, 2023, to solicit proposals from interested and qualified agencies to provide pharmacy services for a period of one year. The RFP was posted on the County's Electronic Procurement Network (ePro).

Two proposals were received by the established deadline in response to the RFP. Proposals from two agencies listed below met the minimum requirements and continued through the evaluation process.

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Agency	Sites or Regions	Hourly Rate
CPS, Solutions, LLC	Countywide	\$133.37 per hour
Cardinal Health Pharmacy Services, LLC	Countywide	\$142.50 per hour

The evaluation committee, with representation from ARMC and DPH, reviewed and evaluated the proposal based on the criteria released in the RFP. The criteria included: Qualifications and Experience, Scope and Administrative Capacity, Reference, and Cost.

Based on the evaluation criteria, the evaluation committee determined CPS best met the needs of DPH and is being recommended for award to provide the pharmacy support services. The agency not recommended for contract award was notified by mail and advised of the opportunity to submit a formal written protest to the DPH Contracts Unit based on the criteria in the RFP. No protest letter was received by the deadline.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Adam Ebright, Deputy County Counsel, 387-5455) on August 4, 2023; Purchasing (Michelle Churchill, Supervising Buyer, 387-2148) on August 7, 2023; Risk Management (Victor Tordesillas, Director, 386-8623) on August 15, 2023; Finance (Paul Garcia, Administrative Analyst, 386-8392) on August 4, 2023; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on August 7, 2023.

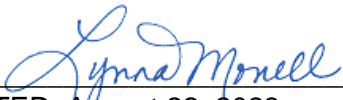
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 22, 2023



cc: PH - Saucedo w/agree
Contractor - c/o PH w/agree
File - w/agree
CCM 08/29/2023