

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

January 14, 2025

FROM

ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SUBJECT

Purchase Orders with Priority Healthcare Distribution, Inc. dba CuraScript SD for 340B Specialty Pharmacy Medications

RECOMMENDATION(S)

Authorize the Purchasing Agent to issue purchase orders to Priority Healthcare Distribution, Inc. dba CuraScript SD for 340B specialty pharmacy medications in an amount not to exceed \$3,290,000, for the period of July 20, 2023 through July 19, 2028.
(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

FINANCIAL IMPACT

Approval of the item will not result in the use of Discretionary General Funding (Net County Cost), as the cost \$3,290,000 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The 340B Drug Pricing Program (340B Program) was created by Congress in 1992 to help hospitals and other entities provide care to low-income patients and communities by federally mandating pharmaceutical manufacturers to sell certain outpatient drugs at a discount to qualified participating health organizations. Since the pricing is set at the same rate for all manufacturers through the 340 Drug Pricing Program, it does not require a competitive procurement. ARMC has an existing relationship with Priority Healthcare Distribution, Inc. dba CuraScript SD (Priority Healthcare) for 340B Program for specialty medications and selected them for this service.

On July 20, 2023, the Purchasing Agent approved Contract No. 4400022615, as the result of a non-competitive procurement, for the purchase of specialty pharmacy medications under the 340B Program from Priority Healthcare, in the not to exceed amount of \$428,000 for the period of July 20, 2023 to July 19, 2028. This approval is consistent with County policy 11-04, which authorizes the Purchasing Agent to approve non-competitive purchases of goods up to \$200,000 annually.

**Purchase Orders with Priority Healthcare Distribution, Inc. dba
CuraScript SD for 340B Specialty Pharmacy Medications
January 14, 2025**

The amount of specialty medication needed by ARMC through the 340B Program has far exceeded the amount approved by the Purchasing Agent and ARMC anticipated it would need. To be in compliance with the California Advancing and Innovating Medi-Cal Justice-Involved Initiative for substance use disorder treatment, County correctional facilities have now requested a supply of a new specialty extended-release medication, which adds another medication on the purchase list that is significantly higher in price.

ARMC now estimates that it will need an additional \$2,862,000 for a total of \$3,290,000 to purchase all of the 340B Program specialty medications that ARMC will need for patient care through July 19, 2028.

ARMC recommends the approval of this authorization as the specialty medications through the 340B Program will provide for the safety, health, and social services needs of county residents by ensuring the provision of specialty medications at a fiscally responsible cost to the County.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on November 27, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on December 3, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on December 17, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on December 18, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on December 18, 2024.

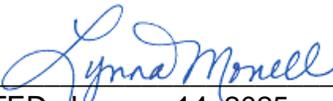
**Purchase Orders with Priority Healthcare Distribution, Inc. dba
CuraScript SD for 340B Specialty Pharmacy Medications
January 14, 2025**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: January 14, 2025



cc: File - Medical Center
CCM 01/21/2025