



San Bernardino County

Legislation Text

File #: 3225, Agenda Item #: 23

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

November 17, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Avita Medical Americas, LLC. for Purchase of RECELL® Autologous Cell Harvesting Devices

RECOMMENDATION(S)

Approve Amendment No. 1 to Agreement 20-64 with Avita Medical Americas, LLC., for the continued purchase of RECELL Autologous Cell Harvesting Devices, extending the term of the agreement through February 9, 2025, for a total contract period from February 11, 2020 through February 9, 2025, with no change to the contract amount of \$330,000.

(Presenter: William L. Gilbert, Director, 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 Agreement with Avita Medical America, LLC (Avita) will not result in the use of Discretionary General Funding (Net County Cost) as the \$330,000 for RECELL® Autologous Cell Harvesting Devices is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Of the \$330,000 that was originally approved by the Board, only \$50,000 has been spent thus far as the devices are purchased on an as-needed basis. Therefore, an additional funding allocation is not requested at this time. 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 are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this item will allow ARMC to continue to purchase RECELL Autologous Cell Harvesting Devices on an as-needed basis to provide treatment for acute thermal burn injuries. Split-thickness skin grafts (STSG) requires harvesting of cells from areas of the body that have not been burned (donor sites), and the procedure has an increased risk for infection and disease. RECELL is a device that is used to produce a suspension of Spray-On Skin™ cells using a small sample of a patient's own skin. This product then regenerates the outer layer of natural, healthy skin and is prepared and applied at the point-of-care. Unlike STSGs, RECELL also requires smaller donor sites, which decreases the possibility of infection/disease and also decreases pain, scarring and length of stay at the hospital. RECELL also has significant cost savings in comparison to the standard of care STSGs.

On February 11, 2020 (Item No. 7), the Board of Supervisors approved the original agreement, including non-standard terms, with Avita Medical Americas for the purchase of skin cell harvesting devices in the amount of \$330,000 for a one-year period with the option to extend for four additional one-year periods. This Amendment converts the one year term with four optional annual renewals into a full five year contract term.

ARMC utilized the devices for one year to determine their effectiveness. Following successful use of the product, the hospital's Burn Unit wants to continue use of these devices. Therefore, ARMC recommends approval of Amendment No. 1 in order to allow the hospital to continue providing healthcare services to burn patients in San Bernardino County.

PROCUREMENT

The purchase of RECELL devices is non-competitive, as Avita is the sole FDA approved source for the enzymatic and mechanical processes of the RECELL devices. On February 11, 2020 (Item No. 7), the Board of Supervisors provided advance approval to extend the agreement with Avita for up to four years.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, County Counsel, 387-5487) on November 2, 2020; Purchasing Department (Ariel Gill, Buyer, 777-0722) on November 2, 2020; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 23, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on October 28, 2020; and County Finance (Matthew Erickson, County Chief Financial Officer, 387-5423) on November 1, 2020.