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DMH**

LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH  
500 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV



ROBIN KAY, PH.D.  
Acting Director

DENNIS MURATA, M.S.W.  
Acting Chief Deputy Director

RODERICK SHANER, M.D.  
Medical Director

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

December 01, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

25 December 1, 2015

PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO EXTEND THE TERM OF 25 DEPARTMENT OF MENTAL HEALTH  
PHARMACY AGREEMENTS FOR FISCAL YEAR 2015-16  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the term of 25 pharmacy agreements for the purpose of dispensing medication to Department of Mental Health clients throughout Los Angeles County.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Acting Director of Mental Health (Acting Director), or her designee, to prepare, sign, and execute amendments, substantially similar to Attachment I, with 25 pharmacy contractors listed in Attachment II, to extend the term of their existing agreements for a period of up to six months, on a month-to-month basis, beginning January 1, 2016, through June 30, 2016. The extension will allow contracted pharmacies to dispense medication to Department of Mental Health (DMH) clients countywide. The estimated monthly cost of the 25 pharmacy agreement extensions is \$208,325 up to the total amount of \$1,249,950 for six months, which is funded by 2011 Realignment and State Mental Health Services Act (MHSA) revenue.
2. Delegate authority to the Acting Director, or her designee, to prepare, sign, and execute future new agreements with additional qualified pharmacies and amendments to existing or future new agreements, provided that: 1) any revision will reflect programmatic and/or policy changes; 2) your Board has appropriated sufficient funds for all changes and new agreements; 3) approval as to form by County Counsel, or her designee, is obtained prior to execution of any such amendments or new agreements; and 4) the Acting Director, or her designee, notifies your Board and the Chief Executive

Office (CEO) of new agreements or changes in writing within 30 days after execution of each agreement or amendment.

3. Delegate authority to the Acting Director, or her designee, to terminate agreements with pharmacies upon their request, or for those that have closed, changed ownership, or choose not to acquire or maintain Surescripts certified pharmacy management software for the purposes of receiving electronic prescriptions submitted by County prescribers. The Acting Director, or her designee, will notify your Board of such terminations in writing within 30 days after execution of each termination.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Board approval of the recommended actions will allow DMH to extend the term of 25 existing pharmacy agreements expiring on December 31, 2015, on a month-to-month basis for up to six months, from January 1, 2016, through June 30, 2016. Extending the existing 25 pharmacy agreements will allow DMH pharmacy contractors to continue dispensing medically necessary medications to DMH clients while DMH concludes a Request for Proposal (RFP) solicitation bid process for a Pharmacy Benefit Management (PBM) agreement.

In addition, approval of the recommended actions will allow DMH to further amend the 25 pharmacy contracts and/or execute new agreements as needed until the completion of the PBM RFP process.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the County's Strategic Plan Goal 3, Integrated Services Delivery.

### **FISCAL IMPACT/FINANCING**

The monthly estimated cost of these 25 pharmacy agreement extensions in Fiscal Year (FY) 2015-16 is \$208,325 up to the total amount of \$1,249,950 for six months, which is funded by 2011 Realignment and State MHSA revenue. Funding is included in FY 2015-16 Final Adopted Budget.

There is no increase in net County cost associated with the above recommendations.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Medication support services play a vital role in the treatment and wellness of DMH clients. Psychiatrists in DMH directly operated and contracted programs prescribe psychotropic medications to DMH clients receiving services in these programs which are filled by the existing 25 contracted pharmacies. Extending the term of the 25 contracted pharmacies, listed on Attachment II, is a critical component in the delivery of mental health services to DMH clients.

The attached Amendment format has been approved as to form by County Counsel. The CEO has reviewed the proposed actions.

Clinical and administrative staff of DMH will continue to administer and monitor contractors' adherence to pharmacy agreements to ensure quality services are provided to clients. As mandated

by your Board, DMH evaluates the performance of all contractors on an annual basis to ensure contractors are in compliance with all contract terms and performance standards.

**CONTRACTING PROCESS**

Approval of the recommended actions will extend the term of agreement with 25 contracted pharmacies, which will expire on December 31, 2015. The extension will allow the continuation of services to Los Angeles County residents until the pending PBM RFP solicitation process concludes.

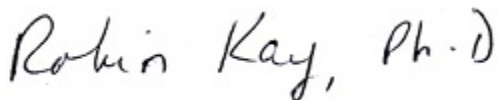
In January 2014, DMH initiated a RFP process to identify a qualified agency to provide PBM services. The RFP was released to the public on May 1, 2014. DMH received two responses. The evaluation process for the RFP concluded on October 8, 2014. DMH is currently engaged in contract negotiations with the selected agency as a result of this process. Negotiations are expected to conclude in the fall of 2015. The full implementation of the PBM Agreement is expected to occur by April 2016. When this is achieved, the PBM will assume responsibility for administration of DMH's prescription drug program.

Upon implementation of the new PBM, DMH will terminate its pharmacy agreements with the existing DMH network of pharmacy providers.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the 25 extension amendments will allow existing contractors to continue dispensing medication to DMH clients.

Respectfully submitted,



ROBIN KAY, Ph.D.

Acting Director of Mental Health

RK:RS:DM:DKH:pd

Enclosures

- c: Executive Office, Board of Supervisors
- Chief Executive Office
- County Counsel
- Chairperson, Mental Health Commission

# ATTACHMENT I

CONTRACT NO. MH150XXX

AMENDMENT NO. X

THIS AMENDMENT is made and entered into this XX day of XXXXXXXXXX, 2015, by and between the COUNTY OF LOS ANGELES (hereafter "County") and PHARMACY CONTRACTOR (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated JUNE 4, 2014, identified as County Agreement No. MH150XXX, as subsequently amended (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years 2014-15, County and Contractor executed Agreement MH150XXX for the provision of Pharmacy Services to dispense medications to clients who reside throughout the County of Los Angeles; and

WHEREAS, for Fiscal Year 2015-16, County and Contractor intend to amend Agreement to **extend** the term of this Agreement for up to an additional 6 months, on a month-to-month basis, beginning January 1, 2016 through June 30, 2016 to continue to provide Pharmacy services to dispense medications to clients who reside throughout the County of Los Angeles.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 1 (TERM) subparagraphs 1.1 and 1.2 shall be deleted in their entirety and the following substituted therefore:

## ATTACHMENT I

1. TERM:

A. Initial Period: The Initial Period of this Agreement shall commence on January 1, 2016 and shall continue in full force and effect through January 31, 2016.

B. Extension Period(s): After the Initial Period, this Agreement may be extended by DMH, in its sole discretion, for up to eleven additional one-month terms, unless the desire of either party to terminate this Agreement is given in writing to the other party thirty days prior to termination.

(1) First Extension Period: If this Agreement is extended, the First Extension Period shall commence on February 1, 2016 and shall continue in full force and effect through February 29, 2016.

(2) Second Extension Period: If this Agreement is extended, the Second Extension Period shall commence on March 1, 2016 and shall continue in full force and effect through March 31, 2016.

(3) Third Extension Period: If this Agreement is extended, the Third Extension Period shall commence on April 1, 2016 and shall continue in full force and effect through April 30, 2016.

(4) Fourth Extension Period: If this Agreement is extended, the Fourth Extension Period shall commence on May 1, 2016 and shall continue in full force and effect through May 31, 2016.

(5) Fifth Extension Period: If this Agreement is extended, the Fifth Extension Period shall commence on June 1, 2016 and shall continue in full force and effect through June 30, 2016.

## ATTACHMENT I

2. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2014-15 Contract Package for this Agreement and any addenda thereto approved in writing by Director or his designee.
2. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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ATTACHMENT I

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health, or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
ROBIN KAY, Ph.D.  
Acting Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By \_\_\_\_\_  
Interim Chief, Contracts Development  
and Administration Division

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH  
CONTRACTS DEVELOPMENT AND ADMINISTRATION DIVISION**

**PHARMACY CONTRACT EXTENSION January 1, 2016 through June 30, 2016**

	<b>Contractor Name</b>	<b>dba</b>	<b>Supervisor District</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
1	A.A.M. Health Group, Inc	Canoga Park Pharmacy	3	22330 Sherman Way, Suite C3	Canoga Park	CA	91303
2	Alchemy Pharmacies, Inc.	Abrams and Clark Pharmacy	4	3841 Atlantic Avenue	Long Beach	CA	90807
3	Belville Enterprises, Inc.	Ron's Pharmacy Services	Out of County	6225 Nancy Ridge Drive	San Diego	CA	92121
4	B & G Pharmacy, Inc.		3	5101 Hollywood Blvd.	Los Angeles	CA	90027
5	B.D.O. Corporation	Fairfax Pharmacy	3	1111 North Fairfax Avenue, Suite 110	Los Angeles	CA	90046
6	Cassel Boys, Inc.	Short Stop Pharmacy	2	645 E. Carson St.	Carson	CA	90745
7	Chong W. Roh	El Camino Pharmacy	3	10940 Victory Blvd.	North Hollywood	CA	91606
8	Dildax Corporation	Medic Pharmacy	4	16900 Bellflower Blvd.	Bellflower	CA	90706
9	GAA Pharmacy, Inc.	Haig Pharmacy	5	1106 S. Glendale Ave.	Glendale	CA	91205
10	Glesener Pharmacy, Inc.		5	321 N. Citrus Avenue	Covina	CA	91723
11	Goldfarb Rx Enterprises, Inc.	Central Pharmacy	3	900 Wilshire Blvd., Suite 104	Santa Monica	CA	90401
12	John's Shop-Rite Pharmacy, Inc.		4	3717 East South Street	Long Beach	CA	90805
13	Marvin Lieblein, Incorporated	Family Pharmacy	4	1400 Atlantic Avenue	Long Beach	CA	90813
14	Mike Lord	Crown Drug	2	657 East University Drive	Carson	CA	90746
15	Nisha Pharmacy, Inc.	Alpha Drugs	Out of County	1240 South Magnolia Ave.	Anaheim	CA	92804
16	Olympic Gerhart Pharmacy, Inc.	Olympic Pharmacy	1	5724 E. Olympic Blvd.	City of Commerce	CA	90022
17	Phnom Pich Pharmacy, Inc.	Phnom Pich Pharmacy, Inc.	4	2338 E. Anaheim St., Suite 100	Long Beach	CA	90804
18	Plaza Pharmacy		2	11930 Hawthorne Boulevard	Hawthorne	CA	90250
19	RelyOn Pharmacy, Inc.	Value Care Pharmacy	Out of County	17662 Irvine Blvd. Ste. 14	Tustin	CA	92782
20	RXTS Drug Co.	Yee's Prescription Pharmacy	4	1703 Termino Avenue	Long Beach	CA	90804



ATTACHMENT II

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH  
CONTRACTS DEVELOPMENT AND ADMINISTRATION DIVISION**

**PHARMACY CONTRACT EXTENSION January 1, 2016 through June 30, 2016**

	<b>Contractor Name</b>	<b>dba</b>	<b>Supervisor District</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
21	Sumi Pharmacies, Inc.	Wards Pharmacy	4	653 Long Beach Boulevard	Long Beach	CA	90802
22	Thu Pharmacy		2	15735 Hawthorne Blvd., Suite 110	Lawndale	CA	90260
23	Vine Discount Pharmacy & Medical Supply, Inc.	Vine Discount Pharmacy & Medical Supply	3	1253 N. Vine, Suite 11	Los Angeles	CA	90038
24	William Chung	CBC Royalty Pharmacy	1	1932 Ervilla Place	Pomona	CA	91767
25	Zaher Pharmacy & Medical Supply, Inc.	Nofel Pharmacy	1	215 East 7 <sup>th</sup> Street, Suite A	Los Angeles	CA	90014