



# COUNTY OF HUMBOLDT

For the meeting of: 10/16/2018

---

File #: 18-1021

---

To: Board of Supervisors

From: DHHS: Mental Health

SUBJECT:

Professional Services Agreement with Diamond Drugs, Inc. Regarding the Provision of Pharmaceutical and Prescription Monitoring Services

RECOMMENDATION(S):

That the Board of Supervisors approve, and authorize the Chair of the Board to execute, the attached professional services agreement with Diamond Drugs, Inc. regarding the provision of pharmaceutical and prescription monitoring services for the period of July 1, 2018 through June 30, 2020; and direct the Clerk of the Board to return two (2) fully executed original copies of the attached professional services agreement to the Department of Health and Human Services - Contract Unit.

SOURCE OF FUNDING:

Mental Health Fund

DISCUSSION:

The Department of Health and Human Services - Mental Health ("DHHS - Mental Health") is responsible for providing all necessary medications to the county's mental health facilities, including, without limitation, DHHS - Mental Health's psychiatric health facility, crisis stabilization unit and medication support clinics, the Humboldt County Correctional Facility, the Humboldt County Regional Facility and the Humboldt County Juvenile Hall. As a result, DHHS - Mental Health has historically contracted with licensed pharmacies, including, Diamond Drugs, Inc. ("Diamond Drugs"), to provide necessary pharmaceutical and prescription monitoring services.

Diamond Drugs provides comprehensive pharmaceutical services for prescription and non-prescription medications and medical supplies required at DHHS - Mental Health facilities. Diamond Drugs delivers quality care for patients and clients by utilizing cost effective innovative technologies, including, without limitation, computerized medication administration records, real time reports and invoicing, which streamline service delivery and accountability. Additionally, Diamond Drugs provides consultant pharmacists who are available for emergency and routine consultations twenty-four (24) hours per day, seven (7) days per week. Prior to filling prescription orders, Diamond Drugs screens each patient's complete computerized medication profile to ensure safe and therapeutic medication administration.

Diamond Drugs also works with DHHS - Mental Health staff and the Humboldt County Pharmacy and Therapeutics Committee to evaluate additions or deletions to DHHS - Mental Health's psychotropic formulary. Diamond Drugs provides quarterly medication usage reports accompanied with graphs, cost comparisons and drug indication for particular drug classes.

On June 23, 2015 (item C-27), the Board of Supervisors approved the previous professional services agreement with Diamond Drugs regarding the provision of pharmaceutical and prescription monitoring services for the period of July 1, 2015 through June 30, 2016. On June 7, 2016, the Board approved the first amendment to the previous professional services agreement with Diamond Drugs in order to extend the term thereof to June 30, 2017 and increase the maximum amount payable thereunder to Four Hundred Thousand Dollars (\$400,000.00). On May 9, 2017, the Board approved the second amendment to the previous professional services agreement with Diamond Drugs in order to extend the term thereof to June 30, 2018 and increase the maximum amount payable thereunder to Six Hundred Thousand Dollars (\$600,000.00).

The attached professional services agreement will allow DHHS - Mental Health to continue to receive required pharmaceutical and prescription monitoring services from Diamond Drugs for the period of July 1, 2018 through June 30, 2020. The attached

professional services agreement with Diamond Drugs comes to the Board after the start date thereof due to inadvertent delays that occurred during the contract development process.

Accordingly, DHHS - Mental Health recommends that the Board approve, and authorizes the Chair of the Board to execute, the attached professional services agreement with Diamond Drugs regarding the provision of pharmaceutical and prescription monitoring services.

**FINANCIAL IMPACT:**

The attached professional services agreement with Diamond Drugs has a maximum amount payable of Four Hundred Thousand Dollars (\$400,000.00) for the contract term. In no event shall the maximum amount paid under the attached professional services agreement with Diamond Drugs exceed Two Hundred Thousand Dollars (\$200,000.00) per fiscal year for fiscal years 2018-2019 and 2019-2020. However, if local, state or federal funding is reduced or eliminated, the County of Humboldt may reduce the above-referenced maximum amount payable or terminate the attached professional services agreement in its entirety.

Expenditure appropriations related to the attached professional services agreement with Diamond Drugs have been included in the approved fiscal year 2018-2019 budgets for DHHS - Mental Health budget units 1170-427, 1170-477, 1170-495 and 1170-498. As a result, approval of the attached professional services agreement with Diamond Drugs will not impact the Humboldt County General Fund.

The recommended actions support the Board of Supervisors' Strategic Framework by ensuring continued opportunities for improved health and safety, protecting vulnerable populations and providing appropriate levels of services.

**OTHER AGENCY INVOLVEMENT:**

None

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could choose not to approve the attached professional services agreement with Diamond Drugs regarding the provision of pharmaceutical and prescription monitoring services. However, this alternative is not recommended since it will not allow DHHS - Mental Health to provide necessary medications to its clients as required by state law.

**ATTACHMENTS:**

1. Professional Services Agreement with Diamond Drugs, Inc. Regarding the Provision of Pharmaceutical and Prescription Monitoring Services for Fiscal Years 2018-2019 through 2019-2020 (three (3) originals)

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: C-18; C-6; C-27; C-6; C-7

Meeting of: 06/24/14; 04/21/15; 06/23/15; 06/07/16; 05/09/17