

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T S H E E T**

**APPROVAL TO RENEW PHARMACY AGREEMENTS FOR  
FISCAL YEARS 2009-10 THROUGH 2013-14  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to renew thirty-two Pharmacy Agreements, for medication support to Department of Mental Health clients throughout Los Angeles County.

**REQUEST**

Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute the renewal of 32 Pharmacy Agreements for Fiscal Years (FY) 2009-10, through 2013-14 to provide medication support to Department of Mental Health (DMH) clients, in Los Angeles County. The estimated cost of the 32 Pharmacy Agreements is \$17,800,000 funded by Sales Tax Realignment and Mental Health Services Act (MHSA) funds.

Authorize the Director of Mental Health, or his designee, to prepare, sign, and execute future new agreements with additional pharmacies, and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to these Agreements, provided that: 1) any revisions will reflect program and/or policy changes; 2) the Board of Supervisors has appropriated sufficient funds for all changes; 3) approval of County Counsel and the Chief Executive Office (CEO), or their designee, is obtained prior to any such Amendment; and 4) the Director of Mental Health notifies the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

Delegate authority to the Director of Mental Health, or his designee, to terminate Agreements with pharmacies upon their request or for those that are disbanded. The Director of Mental Health shall notify the Board of Supervisors in writing of such terminations within 30 days after execution of each termination.

**PURPOSE/JUSTIFICATION**

Board approval of the recommended actions will renew agreements expiring on June 30, 2009, in order to continue the provision of pharmacy services and to allow contractors to dispense medication to clients from their own stock supply. Furthermore, Board approval will allow the Department to enter into Agreements with new pharmacies throughout Los Angeles County.

## **BACKGROUND**

The renewal of the 32 Pharmacy Agreements is part of the Outside Medical Relief Pharmacy (OMR) Program. This program was started by the Department of Health Services to provide lower cost medications at neighborhood pharmacies to eligible recipients of health care in Los Angeles County. Physicians in contracted and directly operated mental health programs write prescriptions which are filled by local pharmacies. This program serves as a critical component in the delivery of mental health services, as prescribed medications play a vital role in the treatment of mental health clients.

## **CONTRACTING PROCESS**

All of the 32 contractors have existing agreements with DMH, which will expire on June 30, 2009, and are being renewed to allow for continuation of services to Los Angeles County residents. The agreements will have a maximum five-year term with an initial period beginning July 1, 2009, through June 30, 2010, and four automatic one year renewal periods through June 30, 2014.

### **DMH Contact:**

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### **APPROVED BY:**

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DMH Contracts – Estelle Marmolejo  
Chief Executive Officer – James Sokalski  
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