

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**APPROVAL TO RENEW 58 DEPARTMENT OF MENTAL HEALTH
PHARMACY AGREEMENTS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to renew 58 pharmacy agreements for dispensing medication 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 58 pharmacy agreements for Fiscal Year (FY) 2010-11, with additional one-year renewal periods from FYs 2011-12 through 2014-15 to provide medication to Department of Mental Health (DMH) clients in Los Angeles County. The estimated annual cost of the 58 pharmacy agreement renewals is \$24,246,000 funded by Sales Tax Realignment revenue 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 amendments to existing or future new agreements, provided that: 1) any revision is used to provide additional services or to reflect program changes; 2) your Board has appropriated sufficient funds for all changes and new agreements; 3) approval of County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendment or new agreements; and 4) the Director of Mental Health notifies your Board of new agreements or changes in writing within 30 days after execution of each agreement or amendment.

Delegate authority to the Director of Mental Health, or his designee, to terminate agreements with pharmacies upon their request, or for those that have closed or changed ownership. The Director of Mental Health will notify your Board of such terminations in writing within 30 days after execution of each termination.

PURPOSE/JUSTIFICATION

Board approval of the recommended actions will renew pharmacy agreements expiring on June 30, 2010, in order to continue dispensing medication to clients from contractors' own stock supply. Furthermore, Board approval will allow the Department to enter into agreements with new pharmacies throughout Los Angeles County, and to amend agreements as the need arises.

BACKGROUND

The renewal of the 58 pharmacy agreements is a critical component in the delivery of mental health services, as prescribed medications play a vital role in the treatment of mental health clients. Psychiatrists in contracted and directly operated mental health programs write prescriptions which are filled by local pharmacies.

Clinical and administrative staff of DMH will continue to administer and monitor contractors' adherence to the agreements to ensure quality services are provided to clients. The performance of all contractors is evaluated by DMH on an annual basis to ensure compliance with all contracted terms and performance standards.

The agreement format includes revised or mandated provisions and has been approved as to form by County Counsel. The CEO has reviewed the proposed actions.

CONTRACTING PROCESS

All of the 58 contractors have existing agreements with DMH, which will expire on June 30, 2010, and are being renewed to allow continuation of services to Los Angeles County residents. The agreements will have a maximum five-year term, with an initial period beginning July 1, 2010 through June 30, 2011, and four one-year renewal periods through June 30, 2015.

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APPROVED BY:

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