

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

November 20, 2019

The Honorable Gavin Newsom
Governor of the State of California
1303-10th Street, Suite 1173
Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 477-19

Dear Governor Newsom:

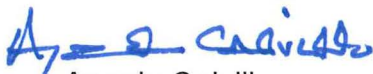
On November 5, 2019, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 477-19 (Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications), which was enacted on November 15, 2019.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

- One certified copy of Resolution No. 477-19 (File No. 191117)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: board.of.supervisors@sfgov.org.

Sincerely,


Angela Calvillo
Clerk of the Board

- c. Members of the Board of Supervisors, Supervisors Hillary Ronen, Rafael Mandelman, Matt Haney, Vallie Brown, Sandra Lee Fewer, Norman Yee, Gordon Mar, Ahsha Safai
Sophia Kittler, Mayor's Liaison to the Board of Supervisors
Eddie McCaffrey, Mayor's Manager of State and Federal Legislative Affairs
Andres Power, Mayor's Policy Director
Rebecca Peacock, Mayor's Office



City and County of San Francisco

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Certified Copy

Resolution

191117 [Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications]

Sponsors: Ronen; Mandelman, Haney, Brown, Fewer, Yee, Mar and Safai

Resolution urging the State of California to rescind or amend the new Department of Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy reimbursements for covered specialty medications.

11/5/2019 Board of Supervisors - ADOPTED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

Excused: 1 - Brown

11/15/2019 Mayor - RETURNED UNSIGNED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

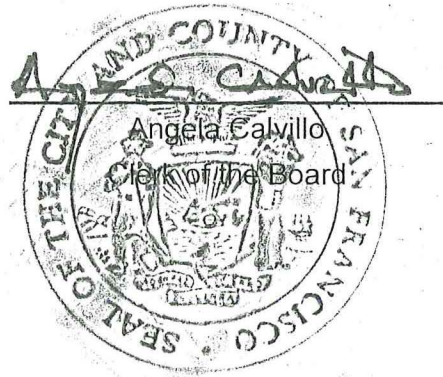
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

November 19, 2019

Date



1 [Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy
2 Reimbursements Policy for Specialty Medications]

3 **Resolution urging the State of California to rescind or amend the new Department of**
4 **Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy**
5 **reimbursements for covered specialty medications.**

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7 WHEREAS, Community-based pharmacies are central to the care of San Francisco's
8 citizens, particularly our most vulnerable populations; and

9 WHEREAS, Community-based pharmacies represent 40% of pharmacies statewide,
10 and are often the most accessible health care providers for Medi-Cal patients, as many
11 pharmacy chains do not contract with local health plans; and

12 WHEREAS, Community-based pharmacies often provide individualized services and
13 care that larger pharmacy chains do not, such as specialized packaging, prior authorizations,
14 and deliveries to homebound patients and patients experiencing homelessness, and;

15 WHEREAS, San Francisco is experiencing a severe mental health crisis and is
16 dependent on our community-based pharmacies to provide life-saving medications for our
17 residents suffering from mental illness; and

18 WHEREAS, To eliminate new HIV transmissions, deaths, and stigma, San Francisco
19 relies on our community-based pharmacies to provide life-saving HIV medications and non-
20 prescription medications like PrEP to prevent HIV; and

21 WHEREAS, In order to move closer to the City's goal of eliminating new HIV
22 transmissions and to provide care for psychiatric patients, it is of the utmost importance that
23 our independent, community-based pharmacy partners can continue to provide quality
24 services to our most vulnerable patients; and

25

1 WHEREAS, In February 2019, the State of California began reimbursing pharmacies
2 below the actual cost of acquisition for several types of drugs designed to treat psychiatric
3 illnesses, HIV, and hepatitis including Abilify, Triumeq, Latuda, Atripla, and Truvada because
4 they are considered “specialty drugs” and are subject to the state's new drug pricing and
5 reimbursement formula that utilizes National Average Drug Acquisition Cost (NADAC) pricing,
6 which specifically excludes pharmacies offering specialty medications; and

7 WHEREAS, Because the State of California has also applied these rates retroactively
8 going back to April 2017, many community-based pharmacies including San Francisco’s own
9 Mission Wellness Pharmacy, are now forced to consider ending services to vulnerable Medi-
10 Cal patients while others have begun to close entirely or are on the brink of bankruptcy; and

11 WHEREAS, The California Pharmacists Association has alleged in a court filing that
12 the survey of Medi-Cal providers done by a consulting firm that was contracted by the State of
13 California was faulty; and

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17 estimated at less than 0.03% of its \$209 billion budget, but these relatively nominal savings
18 risk putting community-based pharmacies out of business and abandoning some of our most
19 vulnerable patients; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 urges the Governor of California and the Department of Health Care Services (DHCS) to
22 rescind the new DHCS Medi-Cal policy regarding fee-for-service pharmacy reimbursements
23 for covered outpatient drugs, or implement an alternative pricing methodology that would
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FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall notify San Francisco's State legislative representatives and the Office of the Governor of the State of California of the Board's position accordingly.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 191117

Date Passed: November 05, 2019

Resolution urging the State of California to rescind or amend the new Department of Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy reimbursements for covered specialty medications.

November 05, 2019 Board of Supervisors - ADOPTED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Brown

File No. 191117

I hereby certify that the foregoing Resolution was ADOPTED on 11/5/2019 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Unsigned

London N. Breed
Mayor

11/15/19

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

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11/18/2019
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November 20, 2019

The Honorable Scott Wiener
California State Senator
California State Capitol, Room 5100
Sacramento, CA 95814-4900

Re: Board of Supervisors Resolution No. 477-19

Dear Senator Wiener:

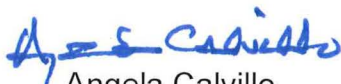
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Rebecca Peacock, Mayor's Office



City and County of San Francisco

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Certified Copy

Resolution

191117 [Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications]

Sponsors: Ronen; Mandelman, Haney, Brown, Fewer, Yee, Mar and Safai

Resolution urging the State of California to rescind or amend the new Department of Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy reimbursements for covered specialty medications.

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Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

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11/15/2019 Mayor - RETURNED UNSIGNED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

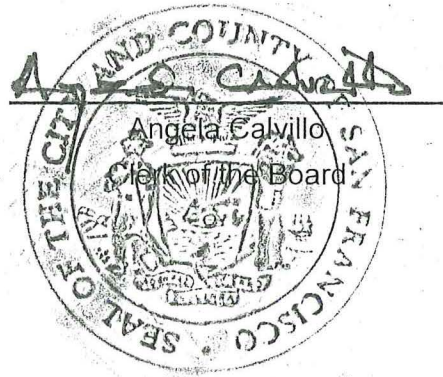
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November 19, 2019

Date



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2 Reimbursements Policy for Specialty Medications]

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14 and deliveries to homebound patients and patients experiencing homelessness, and;

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17 residents suffering from mental illness; and

18 WHEREAS, To eliminate new HIV transmissions, deaths, and stigma, San Francisco
19 relies on our community-based pharmacies to provide life-saving HIV medications and non-
20 prescription medications like PrEP to prevent HIV; and

21 WHEREAS, In order to move closer to the City's goal of eliminating new HIV
22 transmissions and to provide care for psychiatric patients, it is of the utmost importance that
23 our independent, community-based pharmacy partners can continue to provide quality
24 services to our most vulnerable patients; and

1 WHEREAS, In February 2019, the State of California began reimbursing pharmacies
2 below the actual cost of acquisition for several types of drugs designed to treat psychiatric
3 illnesses, HIV, and hepatitis including Abilify, Triumeq, Latuda, Atripla, and Truvada because
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5 reimbursement formula that utilizes National Average Drug Acquisition Cost (NADAC) pricing,
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7 WHEREAS, Because the State of California has also applied these rates retroactively
8 going back to April 2017, many community-based pharmacies including San Francisco’s own
9 Mission Wellness Pharmacy, are now forced to consider ending services to vulnerable Medi-
10 Cal patients while others have begun to close entirely or are on the brink of bankruptcy; and

11 WHEREAS, The California Pharmacists Association has alleged in a court filing that
12 the survey of Medi-Cal providers done by a consulting firm that was contracted by the State of
13 California was faulty; and

14 WHEREAS, The State is now facing a lawsuit for basing its fee-for-service pharmacy
15 reimbursements on a potentially faulty survey mechanism; and

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17 estimated at less than 0.03% of its \$209 billion budget, but these relatively nominal savings
18 risk putting community-based pharmacies out of business and abandoning some of our most
19 vulnerable patients; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 urges the Governor of California and the Department of Health Care Services (DHCS) to
22 rescind the new DHCS Medi-Cal policy regarding fee-for-service pharmacy reimbursements
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FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall notify San Francisco's State legislative representatives and the Office of the Governor of the State of California of the Board's position accordingly.



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 191117

Date Passed: November 05, 2019

Resolution urging the State of California to rescind or amend the new Department of Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy reimbursements for covered specialty medications.

November 05, 2019 Board of Supervisors - ADOPTED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Brown

File No. 191117

I hereby certify that the foregoing Resolution was ADOPTED on 11/5/2019 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Unsigned

London N. Breed
Mayor

11/15/19

Date Approved

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Clerk of the Board

11/18/2019
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November 20, 2019

The Honorable David Chiu
California State Assembly Member
California State Capitol, Room 4112
P.O. Box 942849
Sacramento, CA 94249-0017

Re: Board of Supervisors Resolution No. 477-19

Dear Assembly Member Chiu:

On November 5, 2019, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 477-19 (Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications), which was enacted on November 15, 2019.

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Sincerely,


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Clerk of the Board

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City and County of San Francisco

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Resolution

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Sponsors: Ronen; Mandelman, Haney, Brown, Fewer, Yee, Mar and Safai

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Excused: 1 - Brown

11/15/2019 Mayor - RETURNED UNSIGNED

STATE OF CALIFORNIA
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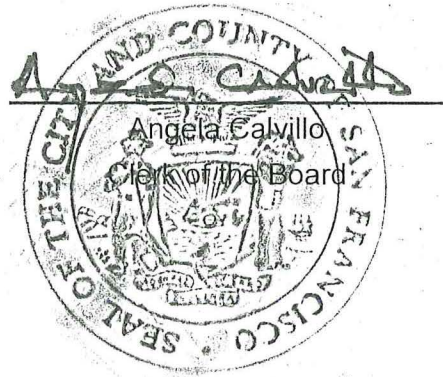
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November 19, 2019

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24 services to our most vulnerable patients; and

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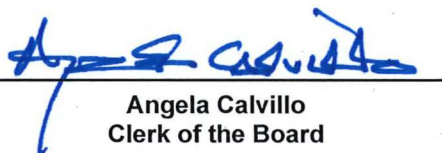
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Excused: 1 - Brown

File No. 191117

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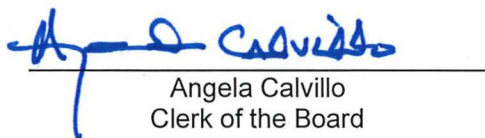
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November 20, 2019

The Honorable Phil Ting
California State Assembly Member
California State Capitol, Room 6026
P.O. Box 942849
Sacramento, CA 94249-0017

Re: Board of Supervisors Resolution No. 477-19

Dear Assembly Member Ting:

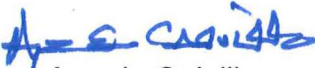
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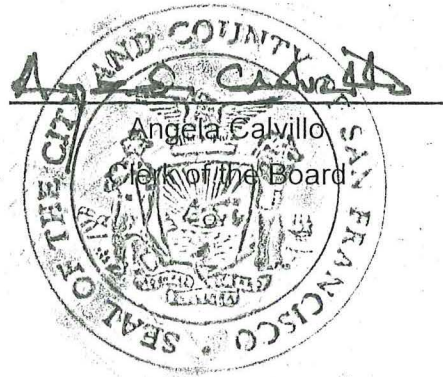
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20 prescription medications like PrEP to prevent HIV; and

21 WHEREAS, In order to move closer to the City's goal of eliminating new HIV
22 transmissions and to provide care for psychiatric patients, it is of the utmost importance that
23 our independent, community-based pharmacy partners can continue to provide quality
24 services to our most vulnerable patients; and

25

1 WHEREAS, In February 2019, the State of California began reimbursing pharmacies
2 below the actual cost of acquisition for several types of drugs designed to treat psychiatric
3 illnesses, HIV, and hepatitis including Abilify, Triumeq, Latuda, Atripla, and Truvada because
4 they are considered “specialty drugs” and are subject to the state's new drug pricing and
5 reimbursement formula that utilizes National Average Drug Acquisition Cost (NADAC) pricing,
6 which specifically excludes pharmacies offering specialty medications; and

7 WHEREAS, Because the State of California has also applied these rates retroactively
8 going back to April 2017, many community-based pharmacies including San Francisco’s own
9 Mission Wellness Pharmacy, are now forced to consider ending services to vulnerable Medi-
10 Cal patients while others have begun to close entirely or are on the brink of bankruptcy; and

11 WHEREAS, The California Pharmacists Association has alleged in a court filing that
12 the survey of Medi-Cal providers done by a consulting firm that was contracted by the State of
13 California was faulty; and

14 WHEREAS, The State is now facing a lawsuit for basing its fee-for-service pharmacy
15 reimbursements on a potentially faulty survey mechanism; and

16 WHEREAS, The savings to the State of California for reducing drug reimbursements is
17 estimated at less than 0.03% of its \$209 billion budget, but these relatively nominal savings
18 risk putting community-based pharmacies out of business and abandoning some of our most
19 vulnerable patients; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 urges the Governor of California and the Department of Health Care Services (DHCS) to
22 rescind the new DHCS Medi-Cal policy regarding fee-for-service pharmacy reimbursements
23 for covered outpatient drugs, or implement an alternative pricing methodology that would
24 allow community-based pharmacies to continue providing specialty medications at a
25 sustainable rate in order to maintain services for vulnerable patients; and, be it

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FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall notify San Francisco's State legislative representatives and the Office of the Governor of the State of California of the Board's position accordingly.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

November 20, 2019

Mr. Richard Figueroa, Jr.
Acting Director
Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Re: Board of Supervisors Resolution No. 477-19

Dear Director Figueroa:

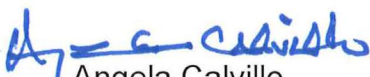
On November 5, 2019, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 477-19 (Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications), which was enacted on November 15, 2019.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

- One certified copy of Resolution No. 477-19 (File No. 191117)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: board.of.supervisors@sfgov.org.

Sincerely,


Angela Calvillo
Clerk of the Board

- c. Members of the Board of Supervisors, Supervisors Hillary Ronen, Rafael Mandelman, Matt Haney, Vallie Brown, Sandra Lee Fewer, Norman Yee, Gordon Mar, Ahsha Safai
Sophia Kittler, Mayor's Liaison to the Board of Supervisors
Eddie McCaffrey, Mayor's Manager of State and Federal Legislative Affairs
Andres Power, Mayor's Policy Director
Rebecca Peacock, Mayor's Office



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Resolution

191117 [Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy Reimbursements Policy for Specialty Medications]

Sponsors: Ronen; Mandelman, Haney, Brown, Fewer, Yee, Mar and Safai

Resolution urging the State of California to rescind or amend the new Department of Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy reimbursements for covered specialty medications.

11/5/2019 Board of Supervisors - ADOPTED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

Excused: 1 - Brown

11/15/2019 Mayor - RETURNED UNSIGNED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

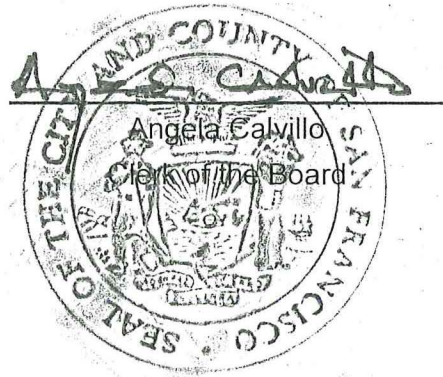
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

November 19, 2019

Date



1 [Urging the State of California to Rescind or Amend the Fee-for-Service Pharmacy
2 Reimbursements Policy for Specialty Medications]

3 **Resolution urging the State of California to rescind or amend the new Department of**
4 **Health Care Services Medi-Cal policy, regarding fee-for-service pharmacy**
5 **reimbursements for covered specialty medications.**

6
7 WHEREAS, Community-based pharmacies are central to the care of San Francisco's
8 citizens, particularly our most vulnerable populations; and

9 WHEREAS, Community-based pharmacies represent 40% of pharmacies statewide,
10 and are often the most accessible health care providers for Medi-Cal patients, as many
11 pharmacy chains do not contract with local health plans; and

12 WHEREAS, Community-based pharmacies often provide individualized services and
13 care that larger pharmacy chains do not, such as specialized packaging, prior authorizations,
14 and deliveries to homebound patients and patients experiencing homelessness, and;

15 WHEREAS, San Francisco is experiencing a severe mental health crisis and is
16 dependent on our community-based pharmacies to provide life-saving medications for our
17 residents suffering from mental illness; and

18 WHEREAS, To eliminate new HIV transmissions, deaths, and stigma, San Francisco
19 relies on our community-based pharmacies to provide life-saving HIV medications and non-
20 prescription medications like PrEP to prevent HIV; and

21 WHEREAS, In order to move closer to the City's goal of eliminating new HIV
22 transmissions and to provide care for psychiatric patients, it is of the utmost importance that
23 our independent, community-based pharmacy partners can continue to provide quality
24 services to our most vulnerable patients; and

1 WHEREAS, In February 2019, the State of California began reimbursing pharmacies
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