

File No. 191117

Committee Item No. \_\_\_\_\_

Board Item No. 48

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_  
Board of Supervisors Meeting

Date: \_\_\_\_\_  
Date: November 5, 2019

### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

### OTHER

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Prepared by: Lisa Lew  
Prepared by: \_\_\_\_\_

Date: November 1, 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  
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

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

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2019 OCT 29 PM 3:09  
Time stamp

BY \_\_\_\_\_ or meeting date *[Signature]*

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Ronen, Mandelman, Haney, Brown, Fewer

Subject:

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

The text is listed:

Please see attached resolution.

Signature of Sponsoring Supervisor: *[Signature]*

For Clerk's Use Only

