

1 [Administrative Code - Independent Pharmacy Task Force]

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3 **Ordinance amending the Administrative Code to establish an Independent Pharmacy**  
 4 **Task Force to advise City bodies and officials on expanding the City's wholesale**  
 5 **prescription drug contracts and purchasing capacity, expanding the City's 340B Drug**  
 6 **Pricing Program coverage, creating an independent pharmacy network in the City**  
 7 **including the benefits of membership and criteria for joining the network, and revising**  
 8 **existing licensing requirements to allow more pharmacies to be members of an**  
 9 **independent pharmacy network.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
 11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
 12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
 13 **Board amendment additions** are in double-underlined Arial font.  
 14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
 15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
 16 subsections or parts of tables.

14

15 Be it ordained by the People of the City and County of San Francisco:

16

17 Section 1. Background and Findings.

18 (a) Easy access to pharmacies is crucial to many communities in the City, including  
 19 senior citizens, families with children, immigrants, and monolingual language speakers.  
 20 Residents who do not have a neighborhood pharmacy within walking distance and do not  
 21 have access to a vehicle may struggle to obtain necessary medications and other products.  
 22 And for many community members, it is important to have access to a pharmacist to speak to  
 23 in person, who can provide instructions on how to take or administer prescribed medications.

24 (b) In recent years, large chain drugstores have closed numerous locations in the  
 25 City. Due to online shopping, including medication delivery services, and increased costs of

1 doing business, locally owned drugstores and pharmacies have struggled to stay open, and  
2 many such independent local businesses have closed. These closures have left gaps across  
3 the City where a neighborhood pharmacy is well outside walking distance to many residents.

4 (c) The Board of Supervisors finds that it is in the public interest to explore ways that  
5 City government can support independent pharmacies to close gaps in pharmacy coverage  
6 and create thriving neighborhoods and commercial corridors, and to ensure that residents  
7 have easy access to necessary medications and other goods.

8 (d) This ordinance will begin a process for the City to evaluate policy options to  
9 support the continued operation of independent pharmacies and the opening of new  
10 independent pharmacies. The task force established by this ordinance will advise City  
11 officials on ways the City can use its wholesale purchasing capacity to assist independent  
12 pharmacies and on options for creating an independent pharmacy network, including the  
13 benefits that could be available to members of such a network and the criteria for  
14 membership.

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16 Section 2. Chapter 5 of the Administrative Code is hereby amended by adding Article  
17 XVI, consisting of Sections 5.16-1 through 5.16-6, to read as follows:

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19 **ARTICLE XVI: INDEPENDENT PHARMACY TASK FORCE**

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21 **SEC. 5.16-1. CREATION OF INDEPENDENT PHARMACY TASK FORCE.**

22 *The Board of Supervisors hereby establishes the Independent Pharmacy Task Force (the “Task*  
23 *Force”) of the City and County of San Francisco.*

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25 **SEC. 5.16-2. MEMBERSHIP.**

1           (a) The Task Force shall be comprised of nine members, appointed by the Board of  
2 Supervisors, as specified in subsection (b).

3           (b) Seats 1 through 9 shall be filled as follows:

4           (1) Seat 1 shall be held by a member of the Board of Supervisors, who shall serve as  
5 the chairperson of the Task Force.

6           (2) Seat 2 shall be held by a pharmacist employed by the Department of Public Health.

7           (3) Seats 3 and 4 shall be held by licensed or certified pharmacists employed by  
8 independent pharmacies located in the City. For purposes of this Article XVI, an independent  
9 pharmacy is one that is either stand-alone or part of a group of two or three pharmacies that are  
10 pharmacist-owned, privately held businesses.

11           (4) Seat 5 shall be held by a former or current representative of the San Francisco  
12 Health Plan with expertise in pharmacy benefits and prescription drug coverage.

13           (5) Seats 6 and 7 shall be held by medical service providers, including, but not limited  
14 to, a physician, nurse, or physician’s assistant, with expertise in prescription drug and other pharmacy  
15 benefits.

16           (6) Seat 8 shall be held by a representative from a City department that issues permits  
17 to small businesses who has experience and expertise regarding the obligations that a small business  
18 must comply with in order to operate in the City.

19           (7) Seat 9 shall be held by a representative of the National Community Pharmacists  
20 Association.

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22           **SEC. 5.16-3. ORGANIZATION AND TERMS OF OFFICE.**

23           (a) Members of the Task Force shall serve two-year terms, beginning on December 1, 2025;  
24 provided, however, the terms of the initial appointees in Seats 3, 5, and 7 shall be one year, expiring on  
25 November 30, 2026.

1           (b) Members of the Task Force shall serve at the pleasure of the Board of Supervisors, and  
2 may be removed by the Board of Supervisors at any time.

3           (c) The Board of Supervisors shall make initial appointments to the Task Force within 90 days  
4 of the effective date of the ordinance in Board File No. \_\_\_\_\_ establishing this Article XVI.

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6           **SEC. 5.16-4. DUTIES.**

7           (a) The Task Force shall advise the Health Commission, the Department of Public Health, the  
8 Mayor, and the Board of Supervisors, on:

9                     (1) The City's options to expand City's wholesale prescription drug contracts and  
10 purchasing capacity;

11                     (2) Opportunities to expand the City's access to discounted outpatient drugs through  
12 the federal 340B Drug Pricing Program;

13                     (3) The creation of an independent pharmacy network in the City, including the  
14 benefits that would be available to members of the network and the criteria for membership; and

15                     (4) Changes to existing licensing requirements that may be necessary or  
16 recommended for pharmacies to become a part of an independent pharmacy network.

17           (b) By no later than June 30, 2026, and every year thereafter, the Task Force shall submit to  
18 the Board of Supervisors, the Mayor, and the Director of Health a written report on its progress.

19           (c) By no later than June 30, 2027, the Task Force shall submit to the Board of Supervisors,  
20 the Mayor, and the Director of Health its final recommendations concerning the City's options to  
21 expand the City's wholesale prescription drug contracts and purchasing capacity, ways to expand the  
22 City's 340B Drug Pricing Program coverage, and recommendations relating to licensing requirements  
23 to make it easier for pharmacies to become licensed as a part of an independent pharmacy network,  
24 including the design of the network, and any steps that may be required to ensure its successful  
25 implementation.

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2           **SEC. 5.16-5. MEETINGS AND PROCEDURES.**

3           (a) The Task Force’s inaugural meeting shall be held within 120 days of the effective date of  
4 this Article XVI, provided that a majority of the members have been appointed and are present at the  
5 meeting. There shall be at least ten days’ public notice of the inaugural meeting.

6           (b) The Task Force shall hold a regular meeting at least once every three months after the  
7 inaugural meeting for a total of at least four meetings per year. The place, date and time of meetings of  
8 the Task Force shall be prescribed by the Chair. All meetings shall be open to the public.

9           (c) Any member who misses two regular meetings of the Task Force within any 12-month  
10 period without the express approval of the Task Force at or before each missed meeting shall be  
11 deemed to have resigned from the body 10 days after the second unapproved absence. The Task Force  
12 shall inform the Board of Supervisors of any such resignation.

13           (d) Service on the Task Force is voluntary and members shall receive no compensation from  
14 the City, except that a City employee appointed to Seats 2, 6, 7, and 8 shall receive compensation from  
15 the City as an employee, because work on the Task Force shall be considered part of the employee’s  
16 work for the City.

17           (e) The Department of Public Health shall provide administrative and clerical support for the  
18 Task Force. All City officials and agencies shall cooperate with the Task Force in the performance of  
19 its functions.

20           (f) One representative from each of the following departments shall attend meetings of the  
21 Task Force to be available for consultation by its members: the Department of Public Health-  
22 Behavioral Health Services and the Controller’s Office.

23           (g) In the event a vacancy occurs during the term of office of any member, the Board of  
24 Supervisors shall appoint a successor for the unexpired term of the vacated seat in a manner similar to  
25 that described for the initial member.

1           (h) The Task Force may establish subcommittees to be convened as directed by the Task  
2 Force. The Chair or the Chair's designee shall appoint members to the subcommittees. Subcommittees  
3 shall report findings and make recommendations to the full Task Force for its consideration.

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5           **SEC. 5.16-6. SUNSET.**

6           Unless the Board of Supervisors by ordinance extends the term of the Task Force, this Article  
7 XVI shall expire by operation of law, and the Task Force shall terminate, three years after the effective  
8 date of the ordinance in Board File No. \_\_\_\_\_ enacting this Article XVI. After that date, the City  
9 Attorney is authorized to cause this Article XVI to be removed from the Administrative Code.

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11           Section 2. Effective Date. This ordinance shall become effective 30 days after  
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
14 of Supervisors overrides the Mayor's veto of the ordinance.

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16           APPROVED AS TO FORM:  
17           DAVID CHIU, City Attorney

18           By:    /s/ \_\_\_\_\_  
19                    ARNULFO MEDINA  
20                    Deputy City Attorney

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