



GEORGE MARLTON, JD
PROCUREMENT DIVISION DIRECTOR

PROCUREMENT DIVISION
PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of Resolution to Create a Class Special Procurement Process for the
340B Third Party Administration Claims Management of Pharmacy Services**

Purpose / Outcome	Approval of a new class special procurement pursuant to Local Contract Review Board (LCRB) C-047-0285
Dollar Amount and Fiscal Impact	N/A
Funding Source	No County General Funds involved
Duration	Indefinite
Previous Board Action/Review	Policy Session on 04/23/19
Strategic Plan Alignment	1. Ensure safe, healthy and secure communities. 2. Building public trust through good government.
Counsel Review	07/02/2019
Contact Person	George Marlton, Procurement Division Director x5442 Ed Johnson, Administrative and Financial Services Manager x5325

BACKGROUND:

Pursuant to Local Contract Review Board Rules (“LCRB”) C-047-0285, the Procurement and Contract Services Division requests the creation of a new class special procurement category for the 340B third party administration claims management of pharmacy services.

The Health Centers Division of Health, Housing and Human Services (“Department”) manages the 340B Pharmacy Program (“Program”) that is funded through 340B savings as a covered entity through the designation as a Federally Qualified Health Center (“FQHC”) recognized under Health Resources and Services Administration. The Program provides eligible health care providers, such as FQHCs, the ability to purchase outpatient drugs for its patients at significantly reduced costs. By purchasing medications at a much lower cost, FQHCs are able to pass the savings on to their patients through reduced drug prices, and can use any additional savings in support of the Department’s mission to expand access and improve health outcomes among medically underserved populations. The discounts provided in the Program are financed by the drug manufacturers, not the government.

The goal of the Department is to give County clients maximum access to pharmacies throughout the County. The complication is that many pharmacies only work with their established Third Party Administrators (“TPA”), so if the Department wants to establish services through these pharmacies, it also has to contract with the pharmacy’s TPA. To provide maximum access to pharmacy services for County clients, the Department would like to be able

to directly contract with all pharmacies and their respective TPAs within the County that service a minimum threshold of 200 County clients per month.

A class special procurement is appropriate for these contracts because the alternative approach will not encourage favoritism as it will not exclude any pharmacies and TPAs that provide minimum threshold services to the County clients. Approval of a class special procurement will result in significant program savings by avoiding a lengthy and costly procurement process that would end in the same result as a formal procurement. In addition, approval of a class special procurement substantially promotes the public interest by giving maximum access to County clients in a timely and efficient manner.

Proposed Class Special Procurement Category:

340B Third Party Administration Claims Management of Pharmacy Services.

The Contracting Agency is exempt from competitive procurement requirements for acquiring 340B program third party administration claims management services for pharmacy services. This exemption is limited to third party administrators required by pharmacies within Clackamas County that provide a minimum threshold of serving 200 Clackamas County clients per month. Notwithstanding the exemption, all contracts for services, regardless of the dollar amount, are subject to legal sufficiency review and approval by the Board of County Commissioners.

Procurement Process:

In accordance with ORS 279B.085 and LCRB C-047-0286, Procurement published a notice of intent to create a new class special procurement on June 13, 2019. Procurement did not receive a protest during the seven (7) day protest period.

RECOMMENDATION:

Staff recommends the Board approve the resolution creating the new class special procurement category of 340B Third Party Administration Claims Management of Pharmacy Services.



George Marlton, Division Director
Procurement & Contract Services

Placed on the Board Agenda of July 11, 2019 by the Procurement Division.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of a Resolution
Authorizing the Creation of a Class
Special Procurement for 340B Third
Party Administration Claims
Management of Pharmacy Services



Resolution No. _____
Page 1 of 2

WHEREAS, the Health Centers Division of Health, Housing and Human Services (the “Department”) manages a 340B Pharmacy Program (“Program”) that is funded through 340B Program savings as a designated Federally Qualified Health Center (FQHC) recognized under Health Resources and Services Administration (HRSA);

WHEREAS, the class 340B Third Party Administration Claims Management of Pharmacy Services does not lend itself to a standard procurement process due to special requirements of the Program that only Third Party Administrators (TPAs) exclusive to viable 340B contracted pharmacies are able to administer and is open to award multiple public contracts;

WHEREAS, the Program is reasonably expected to result in viable savings to the public by meeting patient financial needs who utilize Clackamas County Health Centers clinics that provide healthcare and the savings generated through the Program provides revenue that supports ongoing clinical services;

WHEREAS, the Local Contract Review Board Rules authorize the Board of County Commissioners (“Board”) to establish a class special procurement pursuant to section C-047-0285, and in compliance with ORS 279B.085, as long as the Board finds that the request: 1) is not likely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts; and 2) is reasonably expected to result in substantial cost savings to the contracting agency or the public, or otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065 or 279B.070 or any rules adopted thereunder;

WHEREAS, the new class special procurement will not encourage favoritism as it will not exclude any third party administrators required by pharmacies within the County that provide a minimum threshold of serving 200 County clients per month;

WHEREAS, the new class special procurement will result in significant program savings by avoiding a lengthy and costly procurement process that would end in the same result as a formal procurement as well as being;

WHEREAS, public notice of the intent to create the new class special procurement was published on June 13, 2019 in compliance with ORS 279B.085 and 279B.055(4) and no protests were received;

WHEREAS, the Procurement Division now seeks a resolution from the Board of County Commissioners creating a class special procurement for 340B Third Party Administration Claims Management of Pharmacy Services.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

1. The Board finds that authorizing the creation of a class special procurement for the Program is not likely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts;
2. The Board finds that creation of a class special procurement process will result in significant program savings by avoiding a lengthy and complex procurement process that would end in the same result as other competitive procurement processes;
3. The Board further finds that approval of the expedited process will substantially promote the public interest by providing a greater availability of firms without delay;
4. Based on the foregoing, the Board hereby creates by resolution a class special procurement for the Program described as follows:

340B Third Party Administration Claims Management of Pharmacy Services.

The Contracting Agency is exempt from competitive procurement requirements for acquiring 340B program third party administration claims management services for pharmacy services. This exemption is limited to third party administrators required by pharmacies within Clackamas County that provide a minimum threshold of serving 200 Clackamas County clients per month. Notwithstanding the exemption, all contracts for services, regardless of the dollar amount, are subject to legal sufficiency review and approval by the Board of County Commissioners.

ADOPTED this ____ day of _____, 2019.

CLACKAMAS COUNTY BOARD OF COUNTY
COMMISSIONERS:

Chair

Recording Secretary