

COUNTY OF SAN MATEO
Departmental Correspondence

DATE: **NOV 1 2001**
HEARING DATE: **NOV 20 2001**

TO: Honorable Board of Supervisors

FROM: Margaret Taylor, Interim Director, Hospital & Clinics Division *for Mt*

SUBJECT: Amendment to the Agreement with Diamond Drugs, Inc., dba Diamond Pharmacy Services

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute a second amendment to the agreement with Diamond Drugs, Inc., dba Diamond Pharmacy Services

Background/Discussion

In January 1998, you approved an agreement with Diamond Drugs, Inc., dba Diamond Pharmacy Services, to provide pharmaceutical services to Correctional Health and the Public Health Mobile Clinic. Diamond Pharmacy was selected through a formal RFP process conducted in October 1997. The term of the agreement was 24 months from January 1, 1998 through December 31, 1999. The amount of the agreement was \$600,000.

In February 2000, your Board approved Amendment No. 1 which extended the term of the agreement two additional years making the full term of the agreement January 1, 1998 through December 31, 2001 and increasing the maximum amount by \$624,000 for a total maximum of \$1,224,000.

Discussion

This amendment increases the amount of the contract by \$157,500 but the term remains unchanged. This agreement for pharmaceutical services includes the provision of pharmacy services in the jails, Juvenile Hall, and Public Health Mobile Clinic, including all prescription, non-prescription, and intravenous solutions as ordered by physicians and dentists, and various equipment and supplies.

Within the past year, there has been an increased need for medication in the jails, Juvenile Hall and on the Mobile Clinic. The number of patients seen on the Mobile Clinic has increased by 37%. These additional clients also have tended to present with more complicated issues. More of these clients are homeless and/or from more remote areas of the county, and as such are often more susceptible to complex problems requiring more medications.

Correctional Health has reduced inpatient hospital stays by 31% and ER visits by 12 % overall. As a result, more complex and often expensive illnesses are being treated in-house, thus avoiding expensive hospitalization.

In addition to the increase in the number of patients, and their acuity, there has been a major change in prescribing patterns and costs of psychotropic drugs within the past few years. The market has been flooded with new antibiotics and oral diabetic medications of which many inmates are taking at the time they are booked into the jail. It is frequently not possible for the medical staff to change these medications since they do not have generic equivalents, and so treatment with the more expensive medication is required.

Correctional Health and Public Health are currently conducting an RFP for pharmaceutical services. A new contract will be awarded within the term of this agreement. An amendment increasing the maximum is requested to enable Health Services to continue to provide medication to clients in the jails, Juvenile Hall and on the Mobile Clinic.

The language regarding non-discrimination and equal benefits has been incorporated into this amendment.

Term and Fiscal Impact

The term of the agreement remains the same, from January 1, 1998 through December 31, 2001. The maximum amount of the agreement is increased by \$157,500 from \$1,224,000 to \$1,381,500. The \$157,500 has been included in the FY2001-02 approved budget; \$7,500 for Public Health and \$150,000 for Correctional Health. The net county cost for Correctional Health's total budget is approximately 50% and for the Mobile Van 62%.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING EXECUTION OF A SECOND
AMENDMENT TO THE AGREEMENT WITH
DIAMOND DRUGS, INC., DBA DIAMOND PHARMACY SERVICES

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that;

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance an amendment to an agreement, reference to which is hereby made for further particulars, whereby Diamond Drugs, Inc. shall continue to provide pharmacy services in the jails, Juvenile Hall and on the Mobile Clinic; and

WHEREAS, this Board has been presented with a form of the Amendment to the Agreement and has examined and approved it as to both form and content and desires to enter into the Amendment to the Agreement:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board hereby authorizes the President of this Board of Supervisors to execute said Amendment to the Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

SECOND AMENDMENT TO THE AGREEMENT
WITH DIAMOND DRUGS, INC.
DBA DIAMOND PHARMACY SERVICES

THIS AGREEMENT, entered into this _____ day of _____, 20____, by and between the COUNTY OF SAN MATEO (hereinafter called "County") and DIAMOND DRUGS, INC., DBA DIAMOND PHARMACY SERVICES (hereinafter called "Contractor"),

W I T N E S S E T H:

WHEREAS, on January 13, 1998, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") for the furnishing of certain services by Contractor to County as set forth in that Original Agreement; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify that Original Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

1. Section 2, Payments, Paragraph A, Maximum Amount, of the Original Agreement is hereby amended to read as follows:

“2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION THREE HUNDRED EIGHTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,381,500) for the contract term.”

2. Section 6, Non-Discrimination, is hereby amended to read as follows:

“6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such

complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.”

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. These amendments are hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all the parties hereto.
3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

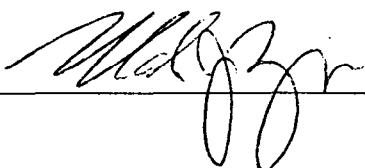
NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Agreement of January 13, 1998, be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

DIAMOND DRUGS, INC.
DBA DIAMOND PHARMACY SERVICES

By: _____
Michael D. Nevin
President, Board of Supervisors

By:  _____

Date: _____

Date: 10/11/01 _____

ATTEST:

By: _____
Clerk of Said Board

Date: _____

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: Diamond Drugs, Inc. dba
Diamond Pharmacy Services
Contact Person: Mark J Zilner
Address: 645 Kolter Drive
Indiana PA 15701-3570
Phone Number: 800-882-6337 Fax Number: 724-349-2604

II Employees

Does the Contractor have any employees? Yes ___ No
Does the Contractor provide benefits to spouses of employees? Yes ___ No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 11th day of Oct., 2001 at Indiana, PA
(City) (State)

Mark J Zilner
Signature
Sec. / Treasurer
Title

Mark J. Zilner
Name (Please Print)
25-1378278
Contractor Tax Identification Number

COUNTY OF SAN MATEO

HEATH SERVICES
Hospital and Clinics Division

MEMORANDUM

Date: September 5, 2001
 To: Priscilla Morse, Risk Management/ Pony # EPS 163 Fax # 363-4864
 From: Tere Larcina, Hospital and Clinics/Pony # HOS316/Fax # 2267
 Subject: Contract Insurance Approval

CONTRACTOR: Diamond Drugs, Inc., dba Diamond Pharmacy Services

DO THEY TRAVEL:

PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES: More than one.

DUTIES (SPECIFIC): Contractor provides comprehensive pharmaceutical services to inmates in the San Mateo County's jail system. The agreement is being amended to increase the maximum amount and to include the non-discrimination and equal benefits language.

<u>COVERAGE:</u>	Amount	Approve	Waive	Modify
Comprehensive Liability:	<u>1,000,000</u>	<input checked="" type="checkbox"/>	_____	_____
Motor Vehicle Liability:	_____	_____	<u>waive</u>	_____
Professional Liability:	<u>1,000,000</u>	<input checked="" type="checkbox"/>	_____	_____
Worker's Compensation:	<u>Statutory</u>	<input checked="" type="checkbox"/>	_____	_____

REMARKS/COMMENTS:


SIGNATURE

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
05/17/2001

PRODUCER
 PHARMACISTS MUTUAL INSURANCE CO
 308 U.S. Hwy 18 W
 Algona, IA, 50511
 515-295-2461

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
 DIAMOND DRUGS INC
 DIAMOND PHARMACY SERVICES
 645 KOLTER DR
 INDIANA PA 15701

INSURER A: PHARMACISTS MUTUAL INSURANCE CO
 INSURER B:
 INSURER C:
 INSURER D:
 INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> *SEE BELOW GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	BOP 0050652 00	09/19/01	09/19/02	EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> \$500 DED COMP <input checked="" type="checkbox"/> \$500 DED COL	ACV 0050652 00	09/19/01	09/19/02	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ ----- BODILY INJURY (Per accident) \$ ----- PROPERTY DAMAGE (Per accident) \$ -----
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	UMC 0050652 00	09/19/01	09/19/02	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WCV 0050652 00	09/19/01	09/19/02	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 *INCLUDES PHARMACY PROFESSIONAL LIABILITY & ANCILLARY PROFESSIONAL CONSULTATION LIABILITY
 LOCATION: 645 KOLTER DR, INDIANA PA 15701

CERTIFICATE HOLDER
 COUNTY OF SAN MATEO
 222 39TH AVENUE
 SAN MATEO CA 94403

ADDITIONAL INSURED: INSURER LETTER:
CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
 AUTHORIZED REPRESENTATIVE: *[Signature]*