July 25, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

HIV/AIDS PHARMACY SERVICES REIMBURSEMENT AGREEMENT  
AMENDMENT WITH RAMSELL CORPORATION  
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 2 to Agreement No. H-207235, substantially similar to Exhibit I, with Ramsell Corporation (Ramsell), formerly Professional Management Development Corporation (PMDC), to modify the reimbursement rates, change the contractor’s name from PMDC to Ramsell, add HIPAA and debarment language, and modify the merger paragraph of the pharmacy services reimbursement agreement for HIV/AIDS drugs dispensed in County pharmacies to eligible County patients under the California Department of Health Services (CDHS) AIDS Drug Assistance Program, retroactive to July 1, 2002 through June 30, 2005.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving this action, the Board is authorizing the Director of Health Services, or his designee, to sign Amendment No. 2 to Agreement H-207235 to 1) change the contractor’s name from PMDC to Ramsell Corporation; 2) change the contractor’s business address;
3) modify the reimbursement rates; 4) add HIPAA and debarment language; and 5) modify the merger paragraph under the contractual relationship with Ramsell. The agreement enables County pharmacies to be reimbursed for filling HIV/AIDS prescriptions under the CDHS AIDS Drug Assistance Program (ADAP) through Ramsell as the fiscal intermediary for CDHS.

Current County policy and guidelines require the timely submission of contracts for Board approval. However, the amendment was not scheduled for placement on the Board’s agenda three weeks prior to its effective date, as required under the new policy because Ramsell did not notify the Department with enough lead-time to allow for the timely processing of the amendment.

FISCAL IMPACT/FINANCING:

There is no additional net County cost associated with this action. This amendment revises the reimbursement rates to County pharmacies for dispensing prescription items to eligible HIV/AIDS clients in accordance with the CDHS-approved ADAP formulary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On July 1, 1997, CDHS/Office of AIDS centralized its reimbursement and data functions for ADAP and entered into a Statewide agreement with PMDC (now Ramsell) as the fiscal intermediary for CDHS in an effort to: 1) reduce drug costs; 2) expand Statewide access for patients to get their ADAP prescriptions filled at local pharmacies such as Rite-Aid, etc.; 3) provide confidential mail order pharmacy services, particularly to patients in remote locations, during times of limited mobility, or in areas where ADAP services would not otherwise be available; and 4) contract with Local Health Jurisdictions to accommodate the special needs associated with the delivery of ADAP services, including the provision of services to incarcerated populations within the County’s jurisdiction.

On February 17, 1998, the Board approved the original agreement with PMDC for the period November 1, 1997 through June 30, 2000. Since then, PMDC has reimbursed the County for dispensing ADAP formulary at these facilities: LAC+USC Medical Center, Martin Luther King, Jr./Drew Medical Center, Harbor/UCLA Medical Center, Olive View/UCLA Medical Center, High Desert Hospital, H. Claude Hudson Comprehensive Health Center, Long Beach Comprehensive Health Center, and incarcerated populations in the Sheriff’s Department facilities.

On November 16, 1999, CDHS released a Request for Proposals (RFP) for the selection of a Pharmacy Benefit Management Services provider for the ADAP for the period July 1, 2000
through June 30, 2005. As a result of CDHS’s RFP, PMDC was selected to provide the ADAP services through June 30, 2005.

Recently, Ramsell notified the Department of Health Services (Department) that it had changed its name from PMDC to Ramsell. Ramsell also notified the Department that CDHS had revised its reimbursement rates and issued a related amendment to Ramsell, effective July 1, 2002, to modify the reimbursement rates, change their name from PMDC to Ramsell, change their business address and add HIPAA and debarment language to the agreement.

In a June 14, 2002 facsimile transmittal from Ramsell, the Department was requested to amend Agreement H-207235, making the same changes: modify the reimbursement rates, change their name from PMDC to Ramsell, and add HIPAA and debarment provisions. The amendment will also modify the language in the merger provision of the contract.

County pharmacies will continue to be electronically linked to Ramsell’s pharmacy network and Ramsell will continue to reimburse County pharmacies including pharmacies in the Sheriff’s Department facilities for items dispensed under CDHS’s approved formulary.

All rates are kept confidential in accordance with Agreement No. H-207235, but have been shared with each Board Office, the Chief Administrative Office, and County Counsel.

The impact that the DHS System Redesign will have on the agreement with the Ramsell Corporation is not known at this time. Because the ADAP allows for statewide access of HIV/AIDS medication at local pharmacies such as Rite-Aid as well as provide a confidential mail-order service for patients living in remote locations or during periods of limited mobility, those individuals who currently obtain their prescriptions through the County, will be able to acquire their medication at a number of non-county pharmacies.

Attachment A provides additional information.

**CONTRACTING PROCESS:**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECT):**

Reimbursement for the distribution of prescription HIV/AIDS drugs will continue.
The Honorable Board of Supervisors  
July 25, 2002  
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:pm

Attachment (1)

c:  Chief Administrative Officer  
    County Counsel  
    Executive Officer, Board of Supervisors  
    Sheriff's Department

BLET/CD2122.es
SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

HIV/AIDS Pharmacy Services Reimbursement Agreement.

2. AGENCY NAME AND CONTACT PERSON:

Ramsell Corporation
200 Webster Street, Suite 300
Oakland, California 94607
Contact Person: Eric A. Flowers, President
Telephone: (888) 311-2792

3. TERM:

July 1, 2000 through June 30, 2005.

4. FINANCIAL INFORMATION:

Ramsell will reimburse County pharmacies, including pharmacies in the Sheriff’s Department for filling prescriptions for CDHS-approved HIV/AIDS clients in accordance with the CDHS-approved ADAP formulary.

5. RESPONSIBLE FOR PROGRAM MONITORING:

The Department of Health Services and Sheriff’s Department facility administrators.

6. APPROVALS:

Pharmacy Services Chief III  Wayland Chan
County Counsel:  Kelly M. Auerbach Hassel, Deputy County Counsel
Contracts and Grants Division:  Riley J. Austin, Acting Chief

BLET/CD2122.es
EXHIBIT I
Contract No. H-207235

PHARMACY SERVICES REIMBURSEMENT AGREEMENT

Amendment No. 2

THIS AMENDMENT is made and entered into this ___________ day of ______________________, 2002,

by and between COUNTY OF LOS ANGELES (hereafter "County"),

and RAMSELL CORPORATION (formerly PROFESSIONAL MANAGEMENT DEVELOPMENT CORPORATION) (hereafter "CONTRACTOR" or "RAMSELL").

WHEREAS, reference is made to that certain document entitled "PHARMACY SERVICES REIMBURSEMENT AGREEMENT", dated February 17, 1997, and further identified as Agreement No. H-207235, between the County and Professional Management Development Corporation ("PMDC") and any Amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to provide the changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

WHEREAS, Contractor is the fiscal intermediary under Contract No. 00-90922 with the California Department of Health

Services ("CDHS") for the AIDS Drug Assistance Program ("ADAP").


NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective on July 1, 2002.

2. Wherever PMDC is referenced in the Agreement, PMDC shall be replaced by Ramsell Corporation.

3. PMDC Systems or PMDC Program(s) shall be referred to as operation trademarks of Ramsell.

4. Paragraph 18, PMDC'S OFFICES, shall be amended as follows:

"18. RAMSELL'S OFFICE: Ramsell's business office is located at 200 Webster Street, Suite 300, Oakland, California 94607. Ramsell shall notify in writing County's Department of Health Services, Contracts and Grants Division of any change in its business address at least ten (10) working days prior to the effective date thereof.

If during the term of this Agreement, the corporate or other legal status of Ramsell changes, or the name of Ramsell changes, then Ramsell shall notify County's Department of Health Services, Contracts and Grants
division, in writing detailing such changes at least thirty (30) calendar days prior to the effective date thereof."

5. Paragraph 32, **MERGER PROVISION**, shall be replaced by the following:

"32. **MERGER PROVISION**: The body of this Agreement, together with the exhibits attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to or alteration of the terms of this Agreement, whether by written or verbal understandings of the parties, their officers, agents or employees, shall be valid unless made in a written amendment to this Agreement which is formally approved and executed by the parties.

Notwithstanding the terms of this provision, Ramsell may unilaterally modify PMDC Systems or PMDC Program, including changes in reimbursement schedules as required by CDHS or by law. Ramsell will provide written notice to County thirty (30) days prior to such modifications thereof. All other amendments or modifications must be in writing and mutually agreed to by the parties."

6. Paragraph 38, **NOTICES**, Subparagraph B, shall be amended as follows:
"B. Notices to Ramsell shall be addressed as follows:

Ramsell Corporation
200 Webster Street, Suite 300
Oakland, California 94607

Attention: Eric A. Flowers
President"

7. Paragraph 39, **COMPLIANCE WITH HIPAA**, shall be added to Agreement as follows:

"39. **COMPLIANCE WITH HIPAA**: Each of the parties understands and agrees that this Agreement and certain information which may be exchanged hereunder is subject to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and regulations issued or to be issued thereunder, as mentioned and that Ramsell may be considered a "business associate" of County for purposes of HIPAA. As the provisions of HIPAA become effective, and to extent applicable, the parties agree to comply with HIPAA, including, but not limited to, HIPAA standards for (i) privacy, (ii) code sets, (iii) data transmission standards, and (iv) security regarding physical storage, maintenance, transmission of and access to individuals health information.

8. Paragraph 40, **DEBARMENT AND SUSPENSION**, Shall be added to Agreement as follows:
"40. DEBARMENT AND SUSPENSION: By entering into this Agreement, Ramsell and County agree to comply with all applicable federal suspension and debarment regulations, including but not limited to, those regulations implementing Federal Executive Order 12549. By signing this Agreement, Ramsell and County certify to the best of their knowledge and belief that:

A. Ramsell and County are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department or agency;

B. Ramsell and County have not, within a three (3) year period preceding this Agreement been convicted of or had a civil judgement rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction, violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
C. Ramsell and County are not presently under indictment for or otherwise criminally or civilly charged by a government entity (federal, State or local) with commission of any of the offenses set forth in section 3.18(B);

D. Ramsell and County have not, within a three (3) year period preceding this Agreement had one or more transactions or contracts (federal, State or local) terminated for cause or default;

E. Ramsell and County will not knowingly do business with a debarred, suspended, ineligible or voluntarily excluded person in connection with a covered transaction except as permitted by law and authorized by CDHS.

If Ramsell and County are unable to certify to any of the statements herein, written explanation shall be sent to the other party and to CDHS. If either party knowingly violates the provisions of this section, either party may terminate this Agreement for cause pursuant to Paragraph 1, TERM AND TERMINATION."

9. Effective July 1, 2002, for claims submitted by County on or after that date, the provisions of Exhibit B, Description of Services, and Attachments A-1 with the effective date of July
1, 2000, shall be replaced by Exhibit C and Attachments A-1 with effective dates of July 1, 2002, attached hereto and incorporated herein by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its
Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By ____________________________
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

RAMSELL CORPORATION

Contractor

By ____________________________
Signature

____________________________
Printed Name

Title ____________________________
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
LLOYD W. PELLMAN
County Counsel

APPROVED AS TO CONTRACT ADMINISTRATION:

By ____________________________
Acting Chief, Contracts and Grants Division
EXHIBIT C
DESCRIPTION OF SERVICES

1. REIMBURSEMENT FOR RAMSELL SERVICES: Ramsell shall reimburse County for claims submitted for items which County has dispensed and which have been determined to be in accordance with CDHS ADAP Program. The reimbursement shall be at the rate levels listed in this Exhibit C, Attachments A-1 dated July 1, 2002 through June 30, 2005, (identified by National Association of Board of Pharmacies ("NABP") Provider Numbers) less any share of applicable cost, effective July 1, 2002 through June 30, 2005, for the following County facilities.

   High Desert Hospital, No. 0541688
   LAC+USC Medical Center, No. 0541715
   Olive View Medical Center, No. 0572479
   H. Claude Hudson Comprehensive H. C., No. 0541866
   Harbor/UCLA Medical Center, Nos. 0575665 & 0507648
   Long Beach Comprehensive Health Center, No. 0541525
   Martin Luther King/Drew Medical Center, No. 0541791
   Sheriff's Department/Central Jail, Nos. 0513831 & 0513893

2. ELECTRONIC CLAIMS PROCESSING: The processing of claims hereunder will be by Ramsell or, at its option, by a third party claims administrator designated by Ramsell. All claims shall be submitted electronically by the above County facilities in a
format approved by Ramsell and shall contain such information as Ramsell requires for the administration of the CDHS ADAP Program.

In emergencies or when electronic billing is not available or functional upon permission from Ramsell, manual claims may be submitted by any one of the County facilities under this Agreement, to Ramsell as a back-up to electronic billing, by no later than five (5) business days following the date of drug dispensing. There shall be no charge to County by Ramsell for the handling of manual back-up billing as defined in this Exhibit C, Paragraph 2.

The manual claims submitted shall be in an invoice format approved by Ramsell. County facilities shall submit an original copy and retain a second copy for their records.

Upon receipt of a complete and correct electronic or manual billing, Ramsell shall pay County facilities in accordance with the reimbursement guidelines of the CDHS ADAP Program. Ramsell shall reimburse County within thirty (30) calendar days of receipt of such claim provided, however, if CDHS has delayed payment to Ramsell for such claim due to circumstances beyond Ramsell's control, Ramsell shall pay County within fifteen (15) calendar days of receipt of Ramsell's payment from CDHS for such claim. If payment is not made within ninety (90) calendar days after Ramsell's receipt of a claim from County, due to delayed
payment by CDHS or for any other reason, County may immediately terminate this Agreement upon notice to Ramsell.