

14. Ratify and approve an agreement with McKesson, Inc. to share transactional data with CVS Pharmacy, Inc., retroactive from November 26, 2024, until Agreement No. 29785 between the County of Tulare and CVS Pharmacy, Inc. is terminated.



Health & Human Services Agency

COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

LARRY MICARI
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: March 4, 2025

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	Yes

CONTACT PERSON: Staci Chastain PHONE: 559-624-8000

SUBJECT: Ratify and approve an agreement with McKesson, Inc.

REQUEST(S):

That the Board of Supervisors:

1. Ratify and approve an agreement with McKesson, Inc. to share transactional data with CVS Pharmacy, Inc., retroactive from November 26, 2024, until Agreement No. 29785 between the County of Tulare and CVS Pharmacy, Inc. is terminated. This agreement is retroactive to the Drug Supply Chain and Security Act requirements becoming effective November 27, 2024; making it impracticable for the Board to take action prior to November 26, 2024.
2. Find that the Board had the authority to enter into the agreement as of November 26, 2024, and that it was in the County's best interest to enter into the agreement on that date.
3. Ratify the Chair's signature on the agreement.

SUMMARY:

The Welfare and Institutions (W&I) Code Section 17000 mandates that Tulare County provides or arranges medical care and pharmaceutical services for its identified healthcare patients. Pharmaceutical services for County patients are offered through the 340B Drug Discount Program. Many individuals in Tulare County face barriers to accessing medical and pharmaceutical care due to limited transportation options and the high cost of prescription medications, preventing these individuals from receiving necessary medical care. By increasing the number of contract pharmacies, the County of Tulare will enhance convenience and access to pharmaceutical services for Tulare County residents.

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The Drug Supply Chain Security Act (DSCSA) establishes a framework for electronically identifying and tracing certain prescription drugs throughout the drug supply chain from manufacturer to patient. Pharmaceutical distributors can share this DSCSA transactional data, such as drug product name, seller/buyer information, transaction date, and other identifying information for tracking through the supply chain, with other parties, including 340B third-party administrators and contract pharmacies. Drug Supply Chain Security Act Section 202 was amended with new requirements effective November 27, 2024, mandating that distributors provide, receive, and maintain electronic documentation regarding products and ownership. As a result, pharmaceutical distributors seek approval from covered entities to allow a contract pharmacy to receive and maintain that transactional data information on behalf of a Covered Entity.

Under the DSCSA, every pharmaceutical distributor of 340B-eligible drugs must provide purchasers with the related transaction history, transaction information, and a transaction statement for the product. When a distributor (e.g., McKesson, Inc.) sells a product for a 340B replenishment model at a contract pharmacy (e.g., CVS Pharmacy, Inc.), ownership of the drug product transfers to the Covered Entity (County of Tulare). Since a Covered Entity owns the product, the distributor cannot disclose information to the contract pharmacy without a Covered Entity's approval, as doing so would violate the DSCSA.

Per the DSCSA, pharmaceutical distributors must obtain approval from the Covered Entity to share transactional data whenever a new contract pharmacy location is established with a pharmaceutical distributor (i.e. McKesson) and corresponding third-party administrator (TPA) (i.e. Wellpartner, LLC). As a Covered Entity, Tulare County partners with multiple TPAs, which then partner with multiple contract pharmacies on the Covered Entity's behalf. Any contract pharmacies added under a TPA to the County of Tulare's 340B program will require a signed DSCSA notice agreeing to allow the pharmaceutical distributor to share transactional data with the new contract pharmacy, consequently allowing this information to be shared with the TPA. Wellpartner, LLC manages CVS Pharmacy, Inc. (CVS) locations on behalf of Tulare County as the County's 340B third-party administrator, providing services such as 340B claim reviews and revenue distribution to the Covered Entity. If McKesson, Inc. is unable to share transactional data with CVS and thus Wellpartner, LLC, the 340B savings revenue may be negatively impacted.

The DSCSA notice expires when the County of Tulare provides McKesson with written notice of termination or when the agreement between CVS and the County of Tulare expires or is terminated. Agreement No. 29785 with CVS was approved by the Board on August 11, 2020, through Resolution No. 2020-0483 to increase Tulare County's 340B contract pharmacy network. Agreement No. 29785-A was approved by the Board on April 11, 2023, through Resolution No. 2023-0295, to establish access to specialty pharmacy services. This agreement is evergreen. The initial term of Agreement No. 29785 ended December 31, 2023, and will continue to automatically renew in successive two (2) year terms.

To expedite the sharing of transactional data, the Chair has signed the necessary

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agreement, which now requires ratification. This step was essential to allow McKesson Inc. to grant CVS access to the necessary transactional data, ensuring compliance and continued claim capture by CVS' third-party administrator (TPA), Wellpartner, LLC. We note that the County of Tulare has previously approved a separate DSCSA form with Walmart, allowing McKesson to share transactional data with Walmart contract pharmacies and, thus, its TPA, Wellpartner, LLC.

The DSCSA notice follows the terms of Agreement No. 29785, which became effective on the HRSA OPAIS effective date of October 1, 2020. This agreement includes the following substantive deviations from the standard County boilerplate: 1) Upon expiration, this agreement shall automatically renew for successive one (1) year terms unless terminated earlier; and 2) Only the County signs the agreement.

FISCAL IMPACT/FINANCING:

There is no cost associated with this agreement, therefore, there is no County cost to the General Fund. If this notice is not signed and approved, it can negatively impact the overall revenue received from the 340B program.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Quality of Life Initiative which promotes public health and welfare and encourages innovative provision of quality supportive services for at-risk adults, youth, and children. This agreement supports this initiative through the expansion of the County's contract pharmacy network and by providing increased access, flexibility and convenience to the County's patients.

ADMINISTRATIVE SIGN-OFF:

/s/ Karen Elliott

Karen Elliott

Director of Public Health

Cc: County Administrative Office

Attachments: Notice of third-party selection for 340B data

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF Ratify and approve
an agreement with McKesson, Inc.

)
) Resolution No. 2025-0159
) Agreement No. 32108
)
)

UPON MOTION OF SUPERVISOR VALERO SECONDED BY SUPERVISOR
TOWNSEND, THE FOLLOWING WAS ADOPTED BY THE BOARD OF
SUPERVISORS, AT AN OFFICIAL MEETING HELD MARCH 4, 2025, BY THE
FOLLOWING VOTE:

AYES: SUPERVISORS MICARI, VANDER POEL, SHUKLIAN, VALERO, AND
TOWNSEND
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: 
Chief Clerk

* * * * *

1. Ratified and approve an agreement with McKesson, Inc. to share transactional data with CVS Pharmacy, Inc., retroactive from November 26, 2024, until Agreement No. 29785 between the County of Tulare and CVS Pharmacy, Inc. is terminated. This agreement is retroactive to the Drug Supply Chain and Security Act requirements becoming effective November 27, 2024; making it impracticable for the Board to take action prior to November 26, 2024.
2. Found that the Board had the authority to enter into the agreement as of November 26, 2024, and that it was in the County's best interest to enter into the agreement on that date.
3. Ratified the Chair's signature on the agreement.

Notice of third party selection for 340B data:

Covered Entity:

(Name) COUNTY OF TULARE (340B ID#) FQHCLA048(Address) 5957 S MOONEY BLVD(City) VISALIA, (State) CA, (Zip) 93277

Contract Pharmacy:

(Name) CVS Pharmacy(Address) One CVS Drive(City) Woonsocket, (State) RI, (Zip) 02895

Applicable to: (check only one below)

☒ All present and future 340B relationships between Covered Entity and Contract Pharmacy☐ Specific 340B relationships between Covered Entity and Contract Pharmacy:

(List account numbers) _____

This is Covered Entity's notice to McKesson that it has entered into a written agreement with Contract Pharmacy for Contract Pharmacy to maintain on behalf of Covered Entity the confidential transaction information, transaction history, and transaction statements required to be maintained by a dispenser under Drug Supply Chain Security Act.

Covered Entity requests that McKesson provide the applicable transaction information, transaction history and transaction statements to Contract Pharmacy until notified otherwise by Covered Entity. Contract Pharmacy shall maintain such transactional data on behalf of Covered Entity.

Covered Entity agrees to provide McKesson with written notice of the termination or expiration of its written agreement with Contract Pharmacy. Promptly following receipt of such notice, McKesson shall cease providing Contract Pharmacy with the applicable transaction information, transaction history and transaction statements.

Signed for the Covered Entity:

 Date: 11 / 26 / 2024

Larry Micari, Chair, Board of Supervisors
(Printed Name)

ATTEST: JASON T. BRITT
County Administrative Officer/Clerk of the Board
Of Supervisors of the County of Tulare

By: 
Deputy Clerk



Approved as to Form
County Counsel

By: Charles W. Felix
Deputy

Date: 11/25/24

Matter ID: 20241819