SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor: PSG 340B Solutions
Division/Section: SFHN – ZSFG
Parent Company: Roland Pickens
Address: 2901 N. Dallas Parkway, Suite 420
Plano, TX 75093
Contact: Anita Anderson, Sales Director

Request for approval of a new contract for a 340B Split Billing Software Solution for the San Francisco Department of Public Health in the amount of $622,720 for the term of February 1, 2017 through January 31, 2022 (60 months).

- Profit [X]
- Non-Profit [ ]
- LBE [ ]
- RFP – Number: 10-2016
- New [X]
- Renewal [ ]
- Mod [ ]
- Sole Source – Approval Date: [ ]

Number of years DPH has been doing business with this organization: 0

Funding Sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Transaction</th>
<th>Proposed Transaction</th>
<th>Annualized Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$556,000</td>
<td>$556,000</td>
<td>$556,000</td>
</tr>
<tr>
<td>TOTAL DPH REVENUES</td>
<td>$556,000</td>
<td>$556,000</td>
<td>$556,000</td>
</tr>
<tr>
<td>12% Contingency Amount</td>
<td>$66,720</td>
<td>$66,720</td>
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<tr>
<td>CONTRACT TOTAL</td>
<td>$622,720</td>
<td>$622,720</td>
<td>$622,720</td>
</tr>
<tr>
<td>ANNUAL AMOUNT OF CONTRACT (estimate)</td>
<td>$124,544</td>
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<tr>
<td>Agency Funds</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Contract FTE</td>
<td>N/A</td>
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</tbody>
</table>

PROPOSED:

Mode(s) of Service & Unit of Service Definition

<table>
<thead>
<tr>
<th>No. Of Clients</th>
<th>Number</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>Duplicated</td>
<td>Of</td>
</tr>
<tr>
<td>N/A</td>
<td>Unduplicated</td>
<td>Units</td>
</tr>
</tbody>
</table>

- Split Billing Implementation (One-time Cost)
  - Outpatient pharmacy site (1 UOS = 1 pharmacy site)
  - Inpatient mixed-use site (1 UOS = 1 inpatient mixed-use site)
- Split Billing Monthly Services
  - Mixed use site (1 UOS = 1 month)
  - Outpatient “owned” pharmacy site (1 UOS = 1 month)

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CMS #7834
Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures.

Nondiscrimination and Cultural Competency:

If required, the Contractor will participate in the cultural competency requirements for the upcoming year.

Other Significant Issues:

SFDPH is engaging PSG 340B Solutions (PSG) to provide a 340B Split Billing Software Solution for the San Francisco Department of Public Health. Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG) is a disproportionate share hospital that has been a participant of the 340B Drug Pricing Program since 1993.

340B drugs are used in “mixed-use” settings such as the Emergency Department and the Post-Anesthesia Care Unit, on-campus clinics, and the hospital’s Outpatient Pharmacy. In order to continue compliance efforts with HRSA regulations, ZSFG is seeking a split-billing software to operate the replenishment model to manage the drug inventory for the hospital and the Outpatient Pharmacy, which serves multiple covered entities as well as non-340B entities.

PSG is a LLC (treated as a partnership for tax purposes) headquartered in Plano, Texas. PSG is a holding company of seven operating subsidiaries focused on providing technological, consultative, analytic and administrative solutions to clients to help them, their members, their employees and/or their patients to save money on their pharmaceutical spend. PSG has been in business for over 20 years.

PSG 340B Solutions was selected under RFQ 10-2016.

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director:

Charles Miller (Chairman)
David Borden
Kevin Host
Jeremy Kogler

David Borden owns more than 10% of the Firm.

There are four board members, no vacancies, and no term limits.

Recommendation:

The Department recommends approval of this contract.