



City and County of San Francisco
 London N. Breed
 Mayor

San Francisco Department of Public Health Grant
 Colfax, MD Director of Health

Memorandum

Date: July 31, 2019

To: Cecilia Chung, Chair, and Members of the Health Commission Finance and Planning Committee

Through: Greg Wagner, DPH, CFO

From: Michelle Ruggels, Director of DPH Business Office *MR*

Subj: Information to support review of four Pharmacy Registry Temporary Personnel Services contracts, included in Monthly Contracts Report.

The purpose of this memo is to provide an overall explanation of the proposed four SF Health Network (SFHN) Pharmacy Registry Temporary Personnel Services contracts subject to approval by the Health Commission in the August 6, 2019 Contracts Report. The four new contracts include two existing vendors (Asereth Medical Services, Inc. and Nor-Cal medical Temps), and two new vendors (Rx Relief and Soliant Health, Inc.). Each contract will be used to provide Pharmacy Registry Temporary Personnel Services for Zuckerberg San Francisco General Hospital (ZSFGH), Jail Health Services, Behavioral Health Services (BHS) and Laguna Honda Hospital (LHH) for the term January 1, 2019 through December 31, 2021 (3 years).

Contractor (all are for-profit)	Address
Asereth Medical Services, Inc.	257 S. Fair Oaks Ave., Suite 100, Pasadena, CA 91105-2050
Rx Relief	7535 N. Palm Avenue, Suite 101, Fresno, CA 93711
Nor-Cal Medical Temps	P.O. Box 736, Tiburon, CA 94920
Soliant Health, Inc.	11757 Katy Freeway, Suite 350, Houston, TX 77079

Description of Needs:

The department needs timely and reliable sources of temporary Pharmacy Personnel (Registry) to provide services throughout the San Francisco Health Network (SFHN), which includes Zuckerberg San Francisco General Hospital (ZSFG), Laguna Honda Hospital (LHH), Behavioral Health Services (BHS) and Jail Health Services. Although the Department seeks to fill all vacancies and shifts through the Civil Service process, not all shifts can be filled in this manner. The awarded contracts will provide for supplemental Pharmacists, Pharmacy Technicians, and Pharmacy clerks for use during unusually high patient activity or low staffing due to vacations, retirement, or the inability to acquire qualified personnel.

Contract Term and Funding:

While the current two contracts with Asereth Medical Services, Inc. and Nor-Cal Medical Temps would otherwise expire on 12/31/19, these two current contracts will be replaced by the proposed new contracts effective January 1, 2019 through December 31, 2021 (3 years) to align with the authorizing Request for Proposal (RFP) 1-2018 term.

While the contracts for the two new vendors under this solicitation, RX Relief and Soliant Health, Inc. shall have the same proposed term of January 1, 2019 to December 31, 2021 (3 years), delayed negotiations delayed the final certification of these contracts to August 2019.

The expected annual allocation of services, by program area for the four contracts is as follows:

Program Location	Budget	Term
San Francisco General Hospital	\$1,100,000	per year
Laguna Honda Hospital	\$120,000	Per year
Behavioral Health Services	\$200,000	Per year
Jail Health Services	\$150,000	Per year
Total:	\$1,570,000	Per year

Changes to Contract Structure for Pharmacy Registry Temporary Personnel Services

- Previously, the contracting structure split the total maximum available funding equally between Asereth Medical Services, Inc. and Nor-Cal Medical Temps. As a result, if one vendor overspent, and one underspent, this required that each contract be modified, so that together the total budgets were equal to the total available funding. As it is difficult to predict usage, this resulted in time-consuming modifications and untimely vendor reimbursement.
- **As a result of the new Request for Proposal (RFP) 1-2018 process, four vendors were selected to expand available capacity for these services, which would have further exacerbated the need for contract modifications under the current structure. Thus, instead of the maximum allocation being split equally between the four vendors, each vendor has its own maximum contract amount and an annual allocation of \$1,100,000. Taken together, the total annual contract value exceeds the total expected annual allocation of \$1,570,000. However, this structure will prevent multiple modifications and enable uninterrupted cash flow. To ensure that the total expenditures do not exceed the budget allocations for each program (See above), SFHN Pharmacy Administrators will continue to conduct monthly reconciliations for the usage and cost under each contract.**
- FY18-19 expenditures totaled \$1,662,913 as follows: Asereth Medical Services: \$1,060,000; and Nor-Cal Medical Temps: \$602,913. The proposed ongoing program budget allocation of \$1,570,000 is slightly decreased, reflecting projected usage reductions post-Epic implementation.
- Included in each of the proposed new contracts is a provision to increase the salary rates annually based on the US Department of Labor, Bureau of Labor Statistics in the Employment Cost Index for Private Industry Workers in Health Services occupations. In FY19-20, this represents a 2.7% rate increase over FY18-19.

Explanation of Services:

Order for Services

A shift is defined as an 8 to 10-hour work period for one registry Pharmacist or Technician.

Orders for service (shifts) will be communicated to the supplier, by the Pharmacy Manager, Monday through Sunday, including Holidays, by telephone or email depending on the urgency of need. The dates, times, number of employees, and any other pertinent information concerning the services will be stated at that time.

The Pharmacy Manager retains the right to contact vendor, if employee sent cannot meet the requirements of the system. (There will be no charge for the service.)

Price

Contract prices are to be firm for the term from the award date through the contract period.

Contract prices are to include all costs chargeable to the CITY. The Contractor will assume all costs including personnel salaries, transportation and any other expense for the training of his/her employees. No charges to the City for one day of trainings, which includes orientation to the department, and any special training or certification required by the City and County and/or Department of Public Health. All costs to the CITY shall be included in prices entered on Bid Rate Form. No overtime will be paid unless it has been approved in advance by Pharmacy Management. If the applicable pharmacy supervisor determines more than one day of training is required, then the City will pay at 50% until the trainee's training is completed up to 5 days. If training days go beyond one week without satisfactory improvement, trainee may be terminated by area supervisor or director.

Rate Shifts

1. <u>SHIFTS</u>	1. <u>START TIME</u>	1. <u>END TIME</u>
Days – 8 hours	7:00 AM or later	2:59 PM or earlier
Evenings – 8 hours	3:00 PM or later	11:30 PM or earlier
Night – 10 hours	9:30 PM	7:30 AM

Monitoring Report/Program Review:

SFHN has a system in place to review and resolve any client grievances, quality of performance reports or other concerns. SFHN Pharmacy administrators review the areas of Program Performance, Compliance, and Client Satisfaction.

Annual monitoring reports show that targets were met for the vendors which provided services, and which responded to the **(RFP) 1-2018:**

- Asereth Medical Services
- Nor-Cal Medical Temps

The following new providers will begin providing services after January 1, 2019, so no monitoring report is available. An annual monitoring report will be submitted for review in future years.

- Rx Relief
- Soliant Health, Inc.

Contract Name	Services Provided	Measure Name	Metric (What data is being collected?)
1. Pharmacy Registry Services	Pharmacy personnel	When provided at least 14 days advance notice, Contractor fills a minimum of 90% of each order for shift service.	NUM: # of shifts filled by contractor DENOM: # of shifts requested to be filled when contractor is provided 14 days or more advance notice
2. Pharmacy Registry Services	Pharmacy personnel	Contractor(s) has the capability of providing a minimum of two (2) full time equivalents of qualified registry Pharmacists and/or Technicians per each of six (6) pharmacy locations and/or areas.	NUM: # of FTE qualified Pharmacists & Technicians available for work DENOM: 12

cc. David Woods, Chief Pharmacy Officer

**Soliant-Pharmacy Services
CID# 1000013321**

Table I

Rate Schedule

Effective January 1, 2019

Licensed Pharmacist		Rate
1. Days – 8 Hrs		\$98.75
2. Evenings – 8 Hrs		\$99.10
3. 8 Hour Shift that Begins at or After 4pm and Ends Before 12:01am		\$99.10
4. Nights – 8 to 10 Hrs		\$107.00
5. Consultant Pharmacist		\$110.00
Registered Technicians/Licensed Intern Certified Pharmacy Technician		
1. Days – 8 Hrs		\$36.51
2. Evenings – 8 Hrs		\$37.61
3. Nights – 10 Hrs		\$41.49
Pharmacy Clerk		
1. Days – 8 Hrs		\$23.34
2. Evenings – 8 Hrs		\$25.38
3. Nights – 10 Hrs		\$26.38

NOTE: All costs chargeable to the City shall be included in prices entered on this Rate Sheet. The Contract Agency will assume all costs including personnel salaries,

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Table II- RX Relief

Rate Schedule

Effective January 1, 2019

Licensed Pharmacist	Rate
1. Days – 8 Hrs	\$103.00
2. Evenings – 8 Hrs	\$104.00
3. 8 Hour Shift that Begins at or After 4pm and Ends Before 12:01am	\$107.00
4. Nights – 8 to 10 Hrs	\$115.00
5. Consultant Pharmacist	\$115.00
Registered Technicians/Licensed Intern Certified Pharmacy Technician	
1. Days – 8 Hrs	\$39.00
2. Evenings – 8 Hrs	\$40.00
3. Nights – 10 Hrs	\$44.00
Pharmacy Clerk	
1. Days – 8 Hrs	\$32.00
2. Evenings – 8 Hrs	\$32.00
3. Nights – 10 Hrs	\$35.00

NOTE: All costs chargeable to the City shall be included in prices entered on this Rate Sheet. The Contract Agency will assume all costs including personnel salaries, transportation, parking, hospital orientation, and any other expense for their employees. No charges to the City are to be made for special orientation training (see page 6 item VI of RFQ).

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Table III: Asereth

Rate Schedule

Effective January 1, 2019

Licensed Pharmacist	
1. Days – 8 Hrs	\$105.15
2. Evenings – 8 Hrs	\$106.33
3. 8 Hour Shift that Begins at or After 4pm and Ends Before 12:01am	\$115.69
4. Nights – 8 to 10 Hrs	\$119.46
5. Consultant Pharmacist	\$184.86
Registered Technicians/Licensed Intern Certified Pharmacy Technician	
1. Days – 8 Hrs	\$38.32
2. Evenings – 8 Hrs	\$39.48
3. Nights – 10 Hrs	\$43.54
Pharmacy Clerk	
1. Days – 8 Hrs	\$23.36
2. Evenings – 8 Hrs	\$23.36
3. Nights – 10 Hrs	\$23.36

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Nor-Cal Pharmaceuticals

Table IV

Rate Schedule

Effective January 1, 2019

Licensed Pharmacist	Rate
1. Days – 8 Hrs	\$103.36
2. Evenings – 8 Hrs	\$103.36
4. Nights – 8 to 10 Hrs	\$113.80
5. Consultant Pharmacist	\$119.46
Registered Technicians/Licensed Intern Certified Pharmacy Technician	
1. Days – 8 Hrs	\$38.32
2. Evenings – 8 Hrs	\$39.48
3. Nights – 10 Hrs	\$43.54
Pharmacy Clerk	
1. Days – 8 Hrs	\$25.54
2. Evenings – 8 Hrs	\$25.54
3. Nights – 10 Hrs	\$27.86

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Aug 6, 2019 DPH Health Commission Report

Table V: Healthy San Francisco (HSF) TPA Cost and Break-Down by Service Area

Administrative Function	Personnel Cost	Operations Cost
Coverage Programs Administration	9.05 FTE Total cost \$1,124,390	Total costs \$707,740
Marketing	2.75 FTE total cost \$295,058	Total cost \$261,886
Customer Service Call Center	6.50 FTE Total cost \$564,743	Total cost \$12,000
Enrollment	3.75 FTE Total cost \$350,489	
Finance	1.00 FTE total cost \$134,940	
Health Services	.60 FTE total cost \$83,332	
ITS	4.75 FTE total cost \$801,016	Total cost \$155,545
Operations	2.50 FTE total cost \$426,895	
Other	Management Allocation \$407,247 Salary Savings (\$314,108)	
SubTotal	\$3,874,002	\$1,137,171
Total Costs		\$5,011,173