

COUNTY OF SACRAMENTO CALIFORNIA

For the
Agenda of:
September 13, 2007
9:30 a.m.

To: Board of Supervisors
From: Department of Health and Human Services
Subject: Report Back on the Drug Discounts Through Outside Pharmacies
Contact: Lynn Frank, Director, 875-2002

Background

On May 16, 2007, at the budget hearing for the adopted proposed budget, the Board asked if Walgreens could take advantage of the free drugs or the lower Public Health Drug cost when they are serving our clinic clients. This report back broadens the issue dealing with any retail pharmacy that serves Sacramento County clinic clients.

Discussion

Walgreens and other retail, for-profit pharmacies already participate in public health service prices and the Department of Health and Human Services will continue to offer the public health service prices to County clients. The benefit to the County of the retail pharmacies' participation is approximately a 60% discount to County clients. Even with the additional paperwork required, they are willing to continue to participate in the program.

Free Drug programs are offered by specific drug manufacturers, to patients who qualify. Usually, free drugs are offered for the respective manufacturer's "brand name" product for which generics aren't available; they believe this will help market their drug. Each manufacturer structures its program differently, but most programs will not always pick up or help the pharmacy recover from the initial supply of medications in a program. Subsequently, the pharmacy "fronts" the initial supply of medication to a patient, while the patient is processing paperwork necessary to qualify for the free-drug program.

This process may take a month or two and unless there is dedicated staff to help the patient through the qualification process, the patient may fail to become qualified. If this happens, the pharmacy could have filled several months of script for free while awaiting approval. Retail for-profit pharmacies would take a huge loss in the participation of most free drug programs because of the way the manufacturers structure specific programs. The retail pharmacies do not want to "front" expensive medications to patients for free, with no guarantee that a patient will end up qualifying. Retail pharmacies would not be able to participate at the same extent that the County does without considerable cost.

Respectfully submitted,

LYNN FRANK, Director
Department of Health and Human Services

APPROVED:
TERRY SCHUTTEN
County Executive

By: _____
PENELOPE CLARKE, Administrator
Countywide Services Agency