

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

ORDINANCE

AUTHORIZING THE EXECUTION OF AGREEMENTS WITH WALGREEN CO. FOR 340B DRUG DISPENSING SERVICES FOR A REVENUE AMOUNT UP TO \$250,000 AND CARDINAL HEALTH 110, LLC AND CARDINAL HEALTH 112, LLC (CARDINAL HEALTH) TO SERVE AS THE 340B PRESCRIPTION DRUG WHOLESALE DISTRIBUTORS FOR AN AMOUNT UP TO \$250,000 ASSOCIATED WITH THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT'S PARTICIPATION IN THE 340B PRESCRIPTION DRUG PRICING PROGRAM FOR A TERM COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, WITH OPTIONS TO RENEW FOR TWO, ONE-YEAR TERMS.

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WHEREAS, the 340B Drug Pricing Program (340B Program) is a federal program that enables participating drug manufacturers to provide discounted prices on covered outpatient drugs to eligible health care organizations known as covered entities; and

WHEREAS, the commonly stated intent of the 340B Program is to permit covered entities to stretch scarce resources as far as possible to more eligible patients and provide more comprehensive services; and

WHEREAS, covered entities participating in the 340B Program may contract with pharmacies to dispense drugs purchased through the 340B Program on their behalf from contracted prescription drug wholesalers/distributors; and

WHEREAS, with this agreement, Walgreen Co. will serve as a contract pharmacy, for the San Antonio Metropolitan Health District (Metro Health) a covered entity; and;

WHEREAS, with this agreement, Cardinal Health 110, LLC and Cardinal Health 112, LLC (Cardinal Health) will serve as a contract prescription drug wholesaler/distributor for the San Antonio Metropolitan Health District (Metro Health) a covered entity; and

WHEREAS, Walgreen Co. and Cardinal Health have participated in Metro Health's 340B Drug Pricing Program as the contract pharmacy and the contract prescription drug wholesale distributor since 2019, and

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WHEREAS, On March 11, 2022 and March 22, 2022, two (2) Requests for Proposals (RFP) were issued to solicit responses from qualified respondents for prescription drug dispensing services; and

WHEREAS, RFP for the 340B Drug Pricing Program Contract Pharmacy closed on April 14, 2022 and one response was received and submitted to the Evaluation Committee for scoring; and

WHEREAS, the RFP for the 340B Drug Pricing Program Vendor Wholesaler closed on April 25, 2022 and one response was received and submitted to the Evaluation Committee for scoring; and

WHEREAS, the Evaluation Committee recommended awards to Walgreen Co. and Cardinal Health; and

WHEREAS, by consensus vote, the committee is recommending to enter into an agreement with Walgreen Co. to serve as a contract pharmacy and Cardinal Health to serve as a contract wholesaler/distributor for Metro Health to provide certain low cost prescription drugs for patients seen at Metro Health clinics; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1 The City Manager or designee, or the Director of the San Antonio Metropolitan Health District or designee, is authorized to execute agreements with Walgreen Co. for 340B drug dispensing services for a program income amount up to \$250,000.00, and Cardinal Health 110, LLC and Cardinal Health 112, LLC (Cardinal Health) to serve as the 340B prescription drug wholesale distributors for an amount up to \$250,000.00 associated with the San Antonio Metropolitan Health District's participation in the 340B Prescription Drug Pricing Program for a term commencing July 1, 2022 and ending June 30, 2023, with options to renew for two, one-year terms. The agreements in substantially final form are attached hereto and incorporated herein for all purposes as **Attachment I** and **Attachment II**. The execution authority granted by this Ordinance shall expire 60 days after the effective date.

SECTION 2. Internal Order Number 136000000879, Fund 2201636120 entitled "STD Staff Support Program FY22" is hereby designated for use in the accounting for the fiscal transaction in the acceptance and expenditure of these funds. Upon acceptance, the sum of up to \$250,000.00 in program income funds from Walgreen Co. will be appropriated in said fund. Payment not to exceed \$250,000.00 is authorized to Cardinal Health upon issuance of a purchase order to serve as the 340B prescription drug wholesale distributor.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

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SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 23rd day of June, 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

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