



City of Huntington Beach

File #: 18-280

MEETING DATE: 9/4/2018

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: Antonia Graham, Assistant to the City Manager

Subject:

Approve a Memorandum of Understanding (MOU) between the City and Huntington Beach Hospital to enable the Huntington Beach Hospital to participate in the 340B Program

Statement of Issue:

On September 5, 2017 the City Council voted to enter into a Memorandum of Understanding (MOU) with Huntington Beach Hospital to allow them to participate in the 340B Program. Huntington Beach Hospital is a non-profit that provides a disproportionate share of healthcare services to the Medicare populations, in addition to supporting many programs that benefit the indigent, uninsured, or underinsured populations in Huntington Beach. The CEO of the Hospital has again asked the City to enter into a new MOU to enable them to continue to participate in the 340B program which would enable the Hospital to participate in a low-cost drug program that benefits the aforementioned populations. This Council Action seeks to once again enter into a no-cost MOU that allows the Hospital to take part in a drug discount program.

Financial Impact:

There is no fiscal impact as this is a no-cost Memorandum of Understanding.

Recommended Action:

Authorize the Mayor and City Clerk to execute the Memorandum of Understanding between the City of Huntington Beach and the Huntington Beach Hospital for the 340B Program.

Alternative Action(s):

Do not approve the Memorandum of Understanding between the City of Huntington Beach and the Huntington Beach Hospital and direct staff accordingly.

Analysis:

Created in 1992, the 340B Program works with manufacturers to provide outpatient drugs to covered hospitals (e.g. Huntington Beach Hospital) at significantly reduced prices. The intent of the program is to maintain services and lower medication costs for patients.

In order for the Hospital to participate in this Program, the Hospital must enter into an agreement with

a unit of the state or local government pursuant to which the Hospital commits to provide health care services to low-income individuals who are not entitled to Medicare or Medicaid benefits - at no reimbursement or considerably less than full reimbursement from these patients. By entering into this MOU, the Hospital agrees to continue its commitment to the provision of health care to indigent, uninsured, and underinsured residents of Huntington Beach and Orange County. The Hospital wishes to enter into this Program in order to maintain current levels of service. The savings from this program are roughly eleven (11) percent greater than those obtained through the Medicaid Rebate Program.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Improve quality of life

Attachment(s):

1. Memorandum of Understanding between the City of Huntington Beach and Huntington Beach Hospital
2. Office of Pharmacy Affairs (OPA) Certification Contract Between Private, Non-Profit Hospital and State/Local Government to Provide Health Care Services to Low Income Individuals