

Approved: 7/24/2024

Effective: 8/08/2024

SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 24-050

APPROVING SERVICES AGREEMENT WITH PUBLIC HEALTH – SEATTLE & KING
COUNTY TO PROVIDE MEDICATION SERVICES

WHEREAS, Snohomish County, acting through its Health Department, has a need for Public Health – Seattle & King County (PHSKC) to provide medication services in the form of prepackaged medications; and

WHEREAS, the Snohomish County Health Department desires to have PHSKC act as their pharmacy provider; and

WHEREAS, PHSKC will support the Snohomish County Health Department to secure medications for their client purposes; and

WHEREAS, PHSKC will aid Snohomish County in controlling their pharmaceutical expenses by acting as the designated 340B pharmacy for Snohomish County; and

WHEREAS, providing medication services to Snohomish County residents are core public health services that the Snohomish County Health Department performs; and

WHEREAS, the County Council held a public hearing on July 24, 2024, to consider approving a services agreement with Public Health – Seattle & King County to provide medication services and to authorize the Snohomish County Executive to enter into such agreement in substantially the form attached as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. The County Council hereby adopts the foregoing recitals as findings of fact and conclusions as if set forth in full herein.

Section 2. The County Council hereby approves and authorizes the County Executive, or designee, to execute the services agreement between Snohomish County and Public Health – Seattle & King County to provide medication services in substantially the form attached hereto as Exhibit A.

PASSED this 24th day of July, 2024.

1 SNOHOMISH COUNTY COUNCIL
2 Snohomish County, Washington

3 Jared Mead
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5 Chairperson

6 ATTEST:

7 M Guadalupe
8
9 Deputy Clerk of the Council

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11 (X) APPROVED
12 () EMERGENCY
13 () VETOED

14 DATE: July 29, 2024

15 D S
16
17 County Executive

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19 ATTEST:

20 Melissa Geraghty
21
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23 Approved as to form only:

24 Guadamud, Rebecca Digitally signed by Guadamud,
Rebecca
Date: 2024.05.03 11:36:02 -07'00'

25
26 Deputy Prosecuting Attorney

Exhibit A

SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of January, 2024 by and between Snohomish County, through its Health Department, a political subdivision of the State of Washington, hereinafter referred to as "Agency" and Public Health – Seattle & King County, an independent Contractor, hereinafter referred to as "Contractor".

The Scope of Services for this Agreement is to provide **Medication Services** in the form of prepackaged medications per the specifications and conditions attached as Exhibit 1.

TERMS AND CONDITIONS

All rights and obligations of the parties to this Agreement shall be subject to and governed by the terms and conditions contained in the text and exhibits of this Agreement.

SUBCONTRACTING

The Contractor shall not subcontract, assign or delegate any rights or obligations under this Agreement, either in whole or in part, without the prior written approval of Agency.

BILLING AND REIMBURSEMENT PROCEDURES

1. The Contractor will provide detailed invoices to Agency. Upon their approval, Agency will remit to the Contractor the face value of the invoice within 30 days of receipt of the invoice.
2. Maximum consideration under this Agreement shall not exceed twenty-four thousand nine hundred ninety-nine dollars (\$24,999.00) unless modified as provided herein, however Contractor shall not be obligated to continue providing services once this threshold is achieved.

INSURANCE

King County, a charter county government under the constitution of the State of Washington, hereinafter referred to as "County", maintains a fully funded Self-Insurance program as defined in King County Code 4.12 for the protection and handling of the County's liabilities including injuries to persons and damage to property.

Agency acknowledges, agrees and understands that the County is self-funded for all of its liability exposures. The County agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Agreement. The County agrees to provide the Agency with at least 30 days prior written notice of any material change in the County's self-funded program and will provide Agency with a letter of self-insurance as adequate proof of coverage. Agency further acknowledges, agrees and understands that the County does not purchase Commercial General Liability insurance and is a self-insured governmental entity; therefore, the County does not have the ability to add the Agency as an additional insured.

Should the County elect cease self-insuring its liability exposures and purchase Commercial General Liability insurance, County agrees to add the Agency as an additional insured.

INDEMNIFICATION

The Contractor shall indemnify Agency, its officers, elected officials, agents, and employees, and any state, federal or other funding agency against all claims, losses, suits, actions, costs, counsel fees, litigation costs, expenses, damages, judgments, or decrees by reason of damage to any property or business and/or any death, injury or disability to or of any person or party, including any employee, arising directly out of or by reason of or in connection with the negligent performance of this Agreement or any negligent act, error or omission of the Contractor, Contractor's employees, agents, or subcontractors. The Contractor's obligation herein shall include, but not be limited to, investigating, adjusting and defending all claims alleging loss from action, error or omissions, or breach of any common law, statutory or other delegated duty by the Contractor, Contractor's employees, agents or subcontractors.

CONFIDENTIALITY OF INFORMATION:

Contractor shall maintain Protected Health Information in accordance with State and Federal privacy laws. The Contractor, and its employees, understands that any violation of state or federal privacy laws may result in dissolution of this Agreement.

VENUE STIPULATION

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be King County.

AGREEMENT AMENDMENTS

Agency and the Contractor may mutually amend all provisions of this Agreement including the Term provision. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the respective parties.

TERM

This Contract shall be effective January 1, 2024, (the "Effective Date") and shall terminate on December 31, 2026, unless extended or terminated earlier, pursuant to the terms and conditions of the Agreement, PROVIDED, HOWEVER, that Snohomish County's obligations after December 31, 2024, are contingent upon local legislative appropriation of necessary funds for this specific purpose in accordance with the Snohomish County Charter and applicable law.

TERMINATION

Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) days written notification. If this Agreement is so terminated, the terminating party shall be liable only for performance in accordance with the terms of this Agreement for performance rendered prior to the effective date of termination.

DEBARMENT

Contractor certifies that the Contractor has not been: (i) charged with a criminal offense in connection with obtaining, attempting to obtain, or performing of a public (Federal, state or local) contract or subcontract, (ii) listed by a federal governmental agency as debarred, (iii) proposed for debarment or suspension or otherwise excluded from federal program participation, (iv) been convicted of or had a civil judgment rendered against them regarding dishonesty or breach of trust, including but not limited to, the commission of a fraud including mail fraud or false representations, violation of a fiduciary relationship, violation of Federal or state antitrust statutes, securities offenses, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; or (v) within a three (3) year period preceding the date of this agreement, had one or more public transactions (federal, state or local) terminated for cause or default.

SAVINGS

In the event funding for this Agreement is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to expiration, Agency may terminate this Agreement immediately, subject to renegotiation under those new funding limitations and conditions. If this Agreement is so terminated, the parties shall be liable only for performance in accordance with the terms of this Agreement for performance rendered prior to the effective date of termination.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provisions, and to this end the provisions of this Agreement are declared to be severable.

NOTICES

Unless otherwise directed in writing, notices, reports and payments shall be delivered to the following addresses:

Dennis Worsham
Health Department Director
Snohomish County Health Department
3020 Rucker Avenue, Suite 306
Everett, WA 98201-3900
Dennis.Worsham@co.snohomish.wa.us
425-339-8687

Bhavna Narsai, PharmD
Pharmacy Supervisor
2124 4TH Ave
Seattle, WA 98144
206-477-8250

PUBLIC RECORDS ACT

This Agreement and all public records associated with this Agreement shall be available from the Agency for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Contractor are needed for the Agency to respond to a request under the Act, as determined by the Agency, the Contractor agrees to make them promptly available to the Agency. If the Contractor considers any portion of any record provided to the Agency under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Contractor shall clearly identify any specific information that it claims to be confidential or proprietary. If the Agency receives a request under the Act to inspect or copy the information so identified by the Contractor and the Agency determines that release of the information is required by the Act or otherwise appropriate, the Agency's sole obligations shall be to notify the Contractor (a) of the request and (b) of the date that such information will be released to the requester unless the Contractor obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the Agency will release the requested information on the date specified.

The Agency has, and by this section assumes, no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The Agency shall not be liable to the Contractor for releasing records not clearly identified by the Contractor as confidential or proprietary. The Agency shall not be liable to the Contractor for any records that the Agency releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

NON-DISCRIMINATION

It is the policy of Snohomish County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington’s Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts.

The Contractor shall comply with the substantive requirements of Chapter 2.460 SCC, which are incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Contractor of the Contractor's compliance with the requirements of Chapter 2.460 SCC. If the Contractor is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to this Agreement or Chapter 2.460 SCC, this Agreement may be subject to a declaration of default and termination at Snohomish County's discretion. This provision shall not affect the Contractor's obligations under other federal, state, or local laws against discrimination.

FEDERAL NON-DICRIMINATION

Snohomish County assures that no persons shall on the grounds of race, color, national origin, or sex as provided by Title VI of the Civil Rights Act of 1964 (Pub. L. No. 88-352), as amended, and the Civil Rights Restoration Act of 1987 (Pub. L. No. 100-259) be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Snohomish County sponsored program or activity. Snohomish County further assures that every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs and activities are federally funded or not.

ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement.

SNOHOMISH COUNTY

Harper, Lacey Digitally signed by Harper, Lacey
Date: 2024.07.26 16:33:48 -07'00'
County Executive Director Date

KING COUNTY

DocuSigned by:
Michael Gedson 6/6/2024
78158B3E938F469...
Dr. Faisal Khan, Director Date

EXHIBIT 1

STATEMENT OF WORK

Public Health Seattle & King County Warehouse Providing Medication Services for Snohomish County

Introduction: Snohomish County (Agency) desires to have Contractor act as their pharmacy provider. The Contractor will complete activities as outlined in this scope of work to accomplish the following goals: 1) Support Agency to secure medications for their client purposes. 2) Aid Agency in controlling their pharmaceutical expenses by acting as the designated 340B pharmacy for Agency. 3) Utilize all other contract pricing that is available to Agency.

I. Tasks: The following tasks will be performed to produce associated deliverables to achieve the above stated goals.

A. Licensing:

Deliverable: The Contractor will assure that they maintain the appropriate licensure to prepackage medications

B. 340 B Contract:

Deliverable: Agency will designate the Contractor's Downtown Pharmacy as **Ship To** Address submitting all appropriate paperwork to HRSA Office of Pharmacy Affairs.

C. Setting up Direct Cost Vendors:

Deliverable: Agency shall establish accounts with vendors and/or contractors and will be directly billed and responsible for paying said Direct costs for the Program. Expected Direct Costs include but are not limited to the following:

- i. Medication Cost: Agency shall set up an account with Cardinal Health and authorize the Contractor to order supplies on their behalf. All supplies and drugs under the account will be billed directly to Agency and shipped to the Contractor. Agency owns and maintains title of covered drugs. The Contractor will compare all shipments received to the orders and inform Agency of any discrepancy within five (5) business days of receipt. The Contractor will order on Agency's behalf, as required, from Cardinal to maintain the program for Agency. Agency will make timely payments to Cardinal Health for items ordered under this paragraph. Any credits for expired drugs for said program shall be directed to Agency Account at Cardinal.
- ii. Shipping Cost: Agency shall set up the Contractor as an extension of their existing account so that all shipping bills related to this project are directly billed and paid by Agency.
- iii. The Contractor will verify the invoices received with the order. They will verify that the drug, quantity and pricing are correct. Pharmacy will sign and date the invoice to indicate it is correct.
- iv. Contractor will mail the invoices, credits and any other materials received from the wholesaler once a week to the designated Agency location for payment.

- v. Agency shall be solely responsible for remitting payment to their Direct Cost Vendors under this Section I. D.
- vi. Packaging Cost: Agency is responsible for any cost for packaging, i.e. bubble packing, which can be ordered through Agency's Cardinal Account.

D. Work Flow: The Contractor along with Agency will establish the work flow associated with running the medication delivery program for Agency to include the following:

Deliverable:

- A) Agency will place orders once per week via fax, unless otherwise directed by the Contractor. Orders will be placed by Agency on a mutually agreed upon day.
- B) Turn around: Orders faxed into pharmacy will be released within 4 business days or within 5 business days for special packaging request (bubble packing); this allows for a Cardinal order to be placed should a medication be required that is not in Agency's current inventory. Shipping will be 2-day delivery unless Agency instructs differently.
- C) Agency inventory shall be stored separate from the Contractor's inventory. Anticipated space required to maintain said inventory is 1 shelving system; approx 4ft wide by 8 ft tall.

II. Costs

Agency shall reimburse Contractor as follows:

Agency will pay a one-time setup fee of \$500 to cover Contractor's costs to set up the agreement. Contractor will fill the first 50 items at no additional charge aside from those identified in section I.C. of the Scope of work. Any items beyond the first 50 shall be assessed an additional service fee of \$10.00 per item. Should bubble packaging be requested then the service fee would be \$14.00 per item and the first 35 items then would be at no additional charge until the \$500 one-time setup fee has been exhausted.

III. Additional Terms and Conditions

1. Agency will verify, using the Contractor's (readily retrievable) customary business records, that a tracking system exists which will ensure that drugs purchased under the 340B Drug program as well as any other drugs purchased on behalf of Agency are used only for Agency. Such records can include: Prescription files, velocity reports, and records of ordering and receipt. These records will be maintained for the period of time required by State law and regulations.
2. Prior to the Contractor providing pharmacy services pursuant to this Agreement, Agency will have the opportunity, upon reasonable notice and during business hours, to examine the tracking system. For example, such a tracking system may include a monthly sample comparison of medications purchased on behalf of Agency to medications filled and shipped to Agency to remaining inventory. The Contractor will permit Agency or its duly authorized representatives to have reasonable access to Contractor's facilities and records during the term of this Agreement in order to make periodic checks regarding the efficacy of such tracking systems. The Contractor agrees to make any and all adjustments to the tracking system which Agency advises are reasonably necessary to prevent diversion of covered drugs to individuals who are not patients of Agency.

3. The Contractor will dispense covered drugs only in the following circumstances: (a) Upon presentation of a prescription bearing Agency's name, and the signature of a legally qualified health care provider affiliated with Agency; or (b) receipt of a prescription or a prescription ordered by telephone or other means of electronic transmission that is permitted by State or local law on behalf of an eligible patient by a legally qualified health care provider affiliated with Agency who states that the prescription is intended for an eligible patient. Agency will furnish a list to the Contractor's pharmacy of all such qualified health care prescribers and will update the list of prescribers to reflect any changes. If the Contractor is found to have violated the drug diversion prohibition, the contract pharmacy will pay Agency the amount of the discount in question so that Agency can reimburse the manufacturer.
4. The Contractor and Agency will adhere to all Federal, State, and local laws and requirements.
5. The parties will develop a system to verify patient eligibility for discounted medications, such as through the 340B Drug Pricing Program and other medication discounting programs, as defined by HRSA guidelines.