

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Tavaglione

SUBMITTAL DATE:
July 21, 2008

SUBJECT: Approval of contract between County of Riverside and CaremarkPCS Health L.P., to provide pharmacy benefits to County of Riverside residents.

RECOMMENDED MOTION: That the Board of Supervisors: 1) Approve the attached Agreement with CaremarkPCS Health L.P., Inc. to provide pharmacy benefits to County of Riverside residents; 2) authorize the Chairperson to sign four (4) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement, returning three (3) copies to Human Resources for distribution;

BACKGROUND: The National Association of Counties (NACo) participates in a program sponsored by CaremarkPCS that offers prescription drug savings to County residents through a prescription discount card. Participants can realize a savings of up to 22% of the full retail cost of medications.

The rising cost of prescription drugs coupled with the growing population of the uninsured has created a crisis in our country. NACo has recognized an opportunity to help member counties offer a prescription discount card program to help uninsured and underinsured County residents save money on their prescriptions.

A recent study conducted by the Health Assessment Resource Center (HARC) reported that in the eastern portion of Riverside County, 133,834 adults (24.6%) report that they did not have any kind of health care coverage that covers some or all of the cost of their prescription drugs.

Departmental Concurrence

John F. Tavaglione,
Supervisor, Second District

Policy

Consent

Policy

Consent

Dep't Recomm.:

Per Exec. Ofc.:

Prev. Agn. Ref.:

District:

Agenda Number:

BACKGROUND continued:

Additionally, an estimated 22.8% of Eastern Riverside County children ages 0 to 17 do not have any kind of health care coverage that pays some or all of the cost of prescription drugs. Western Riverside was not included in the survey, but the problem exists there as well

According to the US Census Bureau, both the number and percentage of people without health insurance increased in the United States in 2006. The number of uninsured increased from 44.8 million in 2005 to 47 million in 2006. The percentage of people without health insurance rose from 15.3% in 2005 to 15.8% in 2006.

The proportion of people covered by employment-based health insurance decreased from 60.2% in 2005 to 59.7% in 2006. The proportion of people covered by government health programs decreased from 27.3% in 2005 to 27.0% in 2006.

The County of Riverside shoulders the cost of the growing uninsured county population as they access public healthcare often in times of crisis. It is a priority to the County of Riverside to find cost-effective solutions that will serve county residents while saving taxpayer dollars.

This partnership with NACo and CaremarkPCS Health L.P. entails no cost to the county or participating residents while supplying benefits that could help residents realize a savings on prescriptions of up to 22% or \$11.10 per prescription. For generic medications, a savings of up to 30% can be realized. Residents would have access to more than 59,000 chain and independent pharmacies nationwide. There are no obligations for County residents to participate in the program; however, the program is available to all residents within the County. It is recommended that this program be put in place to relieve some of the financial burden to County residents for prescription medications.

This prescription service will serve as a public benefit for Riverside County as these benefits provide additional services to low income individuals who reside in Riverside County, in addition to the general public.

The term of this agreement is for two years and four months from the effective date and will automatically continue in effect for successive one year terms thereafter. The term of this agreement is dependent upon the contractual relationship between Caremark and NACo. The agreement with CaremarkPCS Health L.P. is attached.

The impact to the County General Fund will be negligible and will consist generally of time expended by Human Resources staff for the implementation of this program.