

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



FROM: Supervisor John Tavaglione

SUBMITTAL DATE:
April 16, 2012

SUBJECT: Approval of contract between the County of Riverside and Financial Marketing Concepts, Inc., to provide pharmacy and other health services to County of Riverside residents.

RECOMMENDED MOTION: That the Board of Supervisors 1) approve the attached Agreement with Financial Marketing Concepts, Inc. to provide pharmacy and other health discount services to the 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 the Human Resources Department for distribution.

BACKGROUND: In July 2008, the County entered into a pharmacy benefits services contract agreement with CaremarkPCS Health, L.P. The aforementioned contract agreement is scheduled to terminate effective May 15, 2012 and being replaced by a new, non-exclusive contract with Financial Marketing Concepts, Inc., which provides similar pharmacy services for County residents.

John F. Tavaglione,
Supervisor, Second District

FORM APPROVED COUNTY COUNSEL

BY:

NEAL R. KIPNIS

DATE

Departmental Concurrence

Additionally, Financial Marketing Concepts, Inc. provides a donation to the County of \$1.25 per eligible transaction and diagnostic health services discount – a benefit that is currently not being offered by CaremarkPCS Health, L.P. Sponsored by the California State Association of Counties (CSAC), Financial Marketing Concepts, Inc., through its Coast2Coast free prescription discount program, saved an average of 55% in prescription drug costs for participants in 2011. The current CaremarkPCS Health, L.P. pharmacy discount program offers participants a 22% average savings.

Under a new Contract Service Agreement with Financial Marketing Concepts, Inc., the County of Riverside can offer an improved prescription discount service with increased benefit savings to participating residents while remaining fiscally responsible.

The need of Riverside County's uninsured residents continues to remain critical as evidenced by a recent comparison study conducted by the Health Assessment Resource Center for Eastern Riverside County (HARC). In 2010, HARC survey results show 31.5% of children between the ages of 0 – 17 were without health care coverage due to cost as compared to 27.2% in 2007. The percentage of adults in 2010 show 43.1% of adults lacked health care coverage due to cost as compared to 28.1% in 2007.

One of the distinguishing features of Financial Marketing Concepts, Inc. is their commitment to relieving the County of the administrative burden of the program; Financial Marketing Concepts, Inc. will handle the administration of the prescription discount card, distribution at designated County buildings, and promotion of the program. The details are listed in the Contract Service Agreement.

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.

FINANCIAL MARKETING CONCEPTS, INC Marketing Agreement

**AGREEMENT FOR PROVISION OF
MARKETING AND DISCOUNT PHARMACY CARD PROGRAM
AND OTHER HEALTH SERVICES**

**BETWEEN
COUNTY OF RIVERSIDE
AND
FINANCIAL MARKETING CONCEPTS, INC
MAY 15, 2012 THROUGH MAY 14, 2015**

THIS MARKETING AGREEMENT dated this 8th day of May, 2012, is **effective beginning May 15, 2012**, by and between **Financial Marketing Concepts, Inc.**, hereinafter "FMC" a Florida corporation, with its principal place of business at: 100 Executive Way, Suite 214, Ponte Vedra Beach, Florida 32082, and the **County of Riverside**, a political subdivision in the State of California, hereinafter "COUNTY" with its principal place of business at County Administration Center, 4080 Lemon Street, Riverside, California 92501.

WITNESSETH:

WHEREAS, FMC has created a discount prescription card, to-wit: the **Coast2Coast Rx** Card, which provides discounts on prescription drugs to individuals and families, and

WHEREAS, FMC can provide COUNTY the opportunity to offer its **Coast2Coast Rx** discount prescription card to its residents at no cost to the COUNTY, and

WHEREAS, COUNTY is desirous of providing the **Coast2Coast Rx** discount prescription card to its residents at no cost to the COUNTY:

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions herein contained, it is agreed as follows:

1. **Benefits.** FMC will provide its **Coast2Coast Rx** discount prescription card at no cost to COUNTY and its residents, and will pay COUNTY a Donation for each prescription filled that results in a paid claim as listed on Schedule "A" hereof. In addition to the discounts on prescriptions, the card will also offer discounts on dental (DenteMax); vision (Outlook Vision); hearing (Newport Audiology); Diabetes Savings Program from Freedom Diabetic Supplies, Inc. and imaging and lab tests through an arrangement with Prepaid Lab, LLC and Prepaid Imaging, LLC and discounted veterinary services through Pet Assure and other complimentary discounted services that might be added in the future.

2. **Term.** This Agreement is for an initial term of one (1) year from the effective date, through May 15, 2013, and will automatically renew every year for another one (1) year term and the Agreement may not exceed three (3) years unless COUNTY gives FMC thirty days (30) written notice to terminate, or unless earlier terminated by default. Donation to COUNTY will continue to be paid as long as COUNTY's residents continue to fill prescriptions under this program, as long as FMC receives its compensation for those prescriptions, and as long as this Agreement is not terminated by COUNTY. In the event COUNTY terminates this Agreement or endorses another discount Rx card,

FINANCIAL MARKETING CONCEPTS, INC Marketing Agreement

then Donation will be paid as listed in paragraph 2 of Schedule "A." In any event COUNTY may cancel this Agreement with thirty days (30) written notice to terminate.

All notices should be addressed as follows:

Financial Marketing Concepts, Inc.
Edward W. Rahn, President
100 Executive Way, Suite 214
Ponte Vedra Beach, FL 32082
Phone: (800) 931-8872
Fax: (904) 285-8787

3. FMC's Obligations.

a. FMC will provide to COUNTY and its residents the **Coast2Coast Rx** discount prescription card at no cost to its residents or COUNTY, and will pay a Donation to COUNTY based on the use thereof. The Donation will be paid at its full rate as listed on Schedule "A" so long as COUNTY has not endorsed another discount prescription card after the execution of this Agreement. In the event COUNTY does execute an agreement with another discount prescription card after the execution of this Agreement, the Donation will be paid as set forth in paragraph 3 of Schedule "A."

b. FMC will print and distribute the prescription cards for the COUNTY at FMC's cost. COUNTY will approve the card design prior to FMC's printing of the card.

c. FMC will handle all administration of the card including the providing of monthly usage reports to COUNTY. FMC will assign a unique Group Code to COUNTY for cards printed by FMC so that COUNTY's usage can be tracked when the card is used at participating pharmacies.

d. FMC will distribute its **Coast2Coast Rx** Cards to participating pharmacies in the COUNTY and to other such governmental offices (such as libraries, health departments, etc.) designated by the COUNTY.

e. FMC will create a private label website for the COUNTY to link to from its website that will describe the **Coast2Coast Rx** Card program. Using the website, COUNTY residents will have the opportunity to print a card, search for participating pharmacies, and search for the price of their specific medication(s).

f. FMC, with COUNTY's approval, will promote the Rx card in all appropriate media formats, including newspaper, radio, television and internet.

g. FMC and its Pharmacy Benefit Manager will not use any resident's information except as necessary to process prescriptions, and for no other purpose whatsoever. Neither FMC nor its Pharmacy Benefit Manager will contact, transfer or sell resident information to any third party, and both FMC and its Pharmacy Benefit Manager are HIPAA compliant. FMC nor its Pharmacy Benefit Manager will solicit cardholders to use Pharmacy Benefit Manager's mail order unless directed to do so by COUNTY.

FINANCIAL MARKETING CONCEPTS, INC Marketing Agreement

i. FMC will develop an outreach strategy designed to clearly communicate the benefits and limitations of the Program to potential Participating residents.

j. FMC will include a customer service toll-free number on each prescription discount card and on the FMC website that serves as a resource for programs participants and as a pharmacy help desk phone number for the pharmacies.

k. FMC will provide reports on Donations due/paid to COUNTY on a monthly basis.

l. FMC will provide the following reports on a monthly basis:

- i. Discount Card Activity
 - 1. Number of cards printed from website
- ii. Prescription Services Activity
 - 1. Participating pharmacies, by zip code
 - 2. Total number of prescriptions adjudicated or attempted to adjudicate
 - 3. Total number of prescriptions filled and paid at retail
 - 4. Total number of prescriptions filled and paid at a discount with card
 - 5. Total drug costs at their card discount prices
 - 6. Price savings total dollar for prescriptions filled with card
 - 7. Average price total dollar savings per prescription
 - 8. Percentage of price savings per prescription
 - 9. Total number of card utilizers where a discount is applied

4. **Indemnification.** FMC shall indemnify the COUNTY and hold the COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board, harmless for, from and against any loss, claim, liability or expense resulting from FMC's or pharmacy negligence, willful misconduct or from actions resulting in terminating existing discount card agreements.

5. **COUNTY's Obligations:** COUNTY will provide the opportunity for its residents to receive FMC's ***Coast2Coast Rx*** discount prescription card, and COUNTY shall receive a Donation as specifically set forth on Schedule "A" hereof.

6. **COUNTY acknowledges** that one hundred percent (100%) of all prescription drug costs and dispensing fees will be paid by the Participating resident at the point of sale. Neither FMC or the County will be responsible or liable for the payment of drugs dispensed by Participating pharmacies or for the fees or taxes associated with the dispensing of such prescription drugs

7. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California and venue for any proceedings shall be in Riverside County.

8. **Use of County Seal.** For the consideration to be paid by FMC under this Agreement, COUNTY grants to FMC, and FMC accepts, a nonexclusive, nontransferable, limited and revocable license to use the County Seal in connection with the ***Coast2Coast Rx*** Discount card program as described in this agreement, and specifically, but not by way of limitation, that FMC has the right to use the County Seal

FINANCIAL MARKETING CONCEPTS, INC Marketing Agreement

on the discount card, on the private label county website and in **FMC's** letter provided to participating pharmacies that educates pharmacies about the program.

9. **Notice.** Any notice required by this Agreement shall be in writing, by certified mail, to the address of each party first set forth above, or at such other address as may hereafter be designated by either party in writing.

10. **Entire Agreement.** This Agreement contains all the rights, duties and obligations of each party and this Agreement may not be modified or amended except in writing, signed by both parties.

FINANCIAL MARKETING CONCEPTS, INC Marketing Agreement

IN WITNESS WHEREOF the parties have hereunto signed this Agreement on behalf of the corporate entity for which they have legal authority to enter into.

Financial Marketing Concepts, Inc.

County of Riverside, CALIFORNIA


By: Edward W. Rahn

By: _____

Title: President

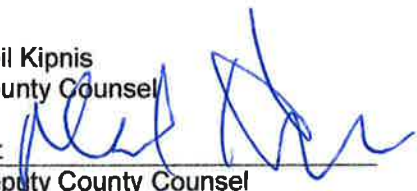
Title: Chairman, Board of Supervisors

Date: 4-23-12

Date: _____

Approved as to form and content:

Neil Kipnis
County Counsel


By: _____
Deputy County Counsel

ATTEST:
Clerk of the Board

By: _____
Deputy

Schedule "A" FOR RIVERSIDE COUNTY, CALIFORNIA

Coast2Coast Rx Card. FMC has offered the opportunity for COUNTY to provide its residents, at no cost to COUNTY or its residents, with FMC's **Coast2Coast Rx Card**, and FMC agrees to pay COUNTY a Donation as follows:

1. As long as this Agreement is in full force, then every time a member purchases a prescription through a participating pharmacy, and FMC receives compensation for that prescription, FMC will pay COUNTY one dollar and twenty-five cents (\$1.25) per paid claim on a monthly basis.
2. In the event COUNTY terminates this Agreement for any reason, from and after the termination date, the Donation will be paid at the rate of Twenty-five cents (.25) per filled prescription that FMC has received compensation for.
3. In the event COUNTY endorses another discount prescription card after the execution of this Agreement, then the Donation will be paid at the rate of Twenty-five cents (.25) per filled prescription that FMC has received compensation for.

FMC's annual discounts for its cardholder base in 2011 were fifty-five percent (55%). Percentages of discounts range from a few percent up to ninety-five percent (95%). Over twenty-four percent (24%) of the national prescription fills have savings of over seventy (70%) percent.

Name & title of person(s) to receive reports every month:

Claudia Montoya, HR Analyst
Human Resources Department
4080 Lemon Street
PO Box 1569
Riverside, CA 92502-1569
Phone: (951) 955-3510
Fax: (951) 955-3479
E-mail: cmontoya@rc-hr.com

Name & title of person(s) to receive Donation every month:

Make checks payable to: "County of Riverside"
Fiscal Manager
Human Resources Department
4080 Lemon Street
PO Box 1569
Riverside, CA 92502-1569
Phone: (951) 955-3510
Fax: (951) 955-3479